



Reconova Technologies Co., Ltd. 廈門瑞為信息技術股份有限公司

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

Stock code : 7656

GLOBAL OFFERING

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



Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



IMPORTANT

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



Reconova Technologies Co., Ltd. 廈門瑞為信息技術股份有限公司

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

GLOBAL OFFERING

Total number of Offer Shares under the Global Offering	: 28,087,000 H Shares
Number of Hong Kong Offer Shares	: 1,404,400 H Shares (subject to reallocation)
Number of International Offer Shares	: 26,682,600 H Shares (subject to reallocation)
Offer Price	: HK\$21.66 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application and subject to refund on final pricing)
Nominal value	: RMB0.20 per H Share
Stock code	: 7656

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



Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Joint Bookrunners and Joint Lead Managers



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 "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above. The Offer Price will be HK\$21.66 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the Offer Price of HK\$21.66 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%.

The Overall Coordinators, for themselves and on behalf of the Underwriters, may, with the consent of our Company, reduce the number of Hong Kong Offer Shares at any time on or prior to the morning of the last date for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.reconova.com as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Hong Kong Offer Shares, the Overall Coordinators, for themselves and on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred, 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 U.S. state securities laws. The Offer Shares are being offered and sold only outside of the United States in offshore transactions in reliance on Regulation S.

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

ATTENTION

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.reconova.com.

If you require a printed copy of this prospectus, you may download and print from the website addresses above.

IMPORTANT

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 to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.reconova.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, 29 June 2026 to 11:30 a.m. on Friday, 3 July 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, 3 July 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC’s FINI system in accordance with your instruction.	Investors who would <u>not</u> like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

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

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

Please refer to “How to Apply for Hong Kong Offer Shares” in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

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

IMPORTANT

If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment <i>HK\$</i>
200	4,375.69	4,000	87,513.77	60,000	1,312,706.47	300,000	6,563,532.34
400	8,751.37	5,000	109,392.20	70,000	1,531,490.88	350,000	7,657,454.39
600	13,127.06	6,000	131,270.64	80,000	1,750,275.29	400,000	8,751,376.45
800	17,502.76	7,000	153,149.09	90,000	1,969,059.69	450,000	9,845,298.50
1,000	21,878.43	8,000	175,027.53	100,000	2,187,844.11	500,000	10,939,220.56
1,200	26,254.13	9,000	196,905.96	120,000	2,625,412.93	600,000	13,127,064.65
1,400	30,629.82	10,000	218,784.41	140,000	3,062,981.75	702,200 ⁽¹⁾	15,363,041.34
1,600	35,005.51	20,000	437,568.83	160,000	3,500,550.58		
1,800	39,381.19	30,000	656,353.22	180,000	3,938,119.40		
2,000	43,756.88	40,000	875,137.64	200,000	4,375,688.22		
3,000	65,635.32	50,000	1,093,922.05	250,000	5,469,610.28		

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

EXPECTED TIMETABLE⁽¹⁾

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

The Hong Kong Public Offering commences 9:00 a.m. on
Monday, 29 June 2026

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk⁽²⁾ 11:30 a.m. on
Friday, 3 July 2026

Application lists open⁽³⁾ 11:45 a.m. on
Friday, 3 July 2026

Latest time to (a) complete payment for **HK eIPO White Form** 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
Friday, 3 July 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit HKSCC EIPO applications on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close⁽³⁾ 12:00 noon on
Friday, 3 July 2026

Announcement of the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.reconova.com at or before 11:00 p.m.
Tuesday, 7 July 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:

- in the announcement to be posted on our website and the website of the Stock Exchange at www.reconova.com⁽⁵⁾ and www.hkexnews.hk, respectively. Tuesday, 7 July 2026

- from the "Allotment Results" page at the designated results of allocations website at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a "search by ID" function on a 24-hour basis from 11:00 p.m. on
Tuesday, 7 July 2026
to 12:00 midnight on
Monday, 13 July 2026

EXPECTED TIMETABLE⁽¹⁾

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Wednesday, 8 July 2026 to Monday, 13 July 2026 (excluding Saturday, Sunday and public holidays in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be despatched or deposited into CCASS on or before⁽⁶⁾⁽⁸⁾ Tuesday, 7 July 2026

HK eIPO White Form e-Auto Refund payment instructions/refund cheques (if applicable) in respect of wholly or partially unsuccessful applications to be despatched on or before⁽⁷⁾⁽⁸⁾ Wednesday, 8 July 2026

Dealings in the H Shares on the Stock Exchange expected to commence at 9:00 a.m. on Wednesday, 8 July 2026

Notes:

- (1) All times and dates refer to Hong Kong local times and dates unless otherwise stated.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or prior to 11:30 a.m., you will be permitted to continue the application process by completing payment of application money until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 3 July 2026, the application lists will not open or close on that day. For further information, please refer to the section headed “How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements” in this prospectus.
- (4) If you instruct your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you should contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.
- (5) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (6) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Wednesday, 8 July 2026, provided that the Global Offering becomes unconditional in all respects on or before then. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid do so entirely at their own risks.
- (7) Part of the applicant’s identification document numbers, or, if the application is made by joint applicants, part of the identification document numbers of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document numbers before encashment of the refund cheques. Inaccurate completion of an applicant’s identification document numbers may invalidate or delay encashment of the refund cheques.
- (8) Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the paragraph 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.

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

Any uncollected H Share certificates will be despatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

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

EXPECTED TIMETABLE⁽¹⁾

The above expected timetable is a summary only. For details of the structure of the Global Offering, and the conditions and procedures for applications for Hong Kong Offer Shares, please read “Underwriting”, “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” carefully.

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

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering 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 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. Our Company has not authorised 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 authorised by our Company, the Joint Sponsor-OCs, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Joint Sponsors, any of the Underwriters, any of our or their respective directors, officers, representatives, or affiliates, or any other person or party involved in the Global Offering. Information contained on our website, located at www.reconova.com, does not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. In particular, we are a specialist technology company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred operating loss during certain years of the Track Record Period, and we may incur net loss and operating loss for the foreseeable future. We had negative net cash flow generated from operating activities during certain years of the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

OVERVIEW

We are an AI company that provides visual AI technologies and products for enterprise clients. Integrating our self-developed vision large models, deep learning related technologies, multi-spectral imaging technologies, and software-hardware co-design capabilities, we offer a series of visual perception, visual cognition and visual reasoning intelligence products that are applied across different scenarios, including civil aviation, commercial spaces, and driving safety. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first in enterprise visual AI product market for civil aviation in China, with a market share of 8.7%, and ranked fourth in enterprise visual AI product market for commercial space in China, with a market share of 1.7%. Our revenue increased from RMB242.4 million in 2023 to RMB395.2 million in 2024, and further grew to RMB443.0 million in 2025.

PRODUCTS AND SOLUTIONS

Segment	Our Roles	Major Products	Key Applications
Intelligent civil aviation	Project-based: We develop core algorithms, design software and hardware systems, define technical specifications, and manage end-to-end product architecture. Production is outsourced to contract manufacturers based on our specifications. Deployment is handled by design and system integrators.	<ul style="list-style-type: none">• Smart access control products• Smart security screening products• Smart passenger service products	<ul style="list-style-type: none">• Airports
Intelligent commerce	Project-based: We design the complete software stack, AI algorithms, and all key hardware components. Contract manufacturers assemble the hardware based on our designs, while we manage software integration, system architecture and hardware-software compatibility for deployment. Order based model: We develop and design the AI algorithms and key hardware components such as terminals, sensors and smart locks. Contract manufacturers produce the hardware based on our designs and specifications.	<ul style="list-style-type: none">• SINHON Business System• Intelligent Park Management Solution• Smart Door Locks• Smart Door Lock Modules	<ul style="list-style-type: none">• Shopping malls• Industrial park• Public spaces• Door lock manufacturing• Apartments
Intelligent driving safety	Order based model: We develop system architecture, embedded software and algorithms for hardware such as safety devices and modules. Contract manufacturers produce the hardware. Partners manufacture and assemble devices according to our design and specifications.	<ul style="list-style-type: none">• Driving Safety Analysis Devices• Driving Safety Analysis Modules• Recadas Safety Risk Management Platform	<ul style="list-style-type: none">• Heavy-duty trucks• Fleet operators• Insurers• In-vehicle equipment manufacturing

See “Business — Key Operating Data” and “Business — Seasonality” for details of our key operating data and revenue seasonality.

SUMMARY

STRENGTHS

We believe the following strengths drive our growth and success: (i) strong foundation of core technologies and full-stack technology chain; (ii) recognised visual AI brand in civil aviation, commercial and driving safety sectors; (iii) mature product commercialisation capabilities and R&D delivery system; and (iv) visionary management team with profound industry experience and strong technical R&D.

STRATEGIES

We will pursue the following strategies to drive further growth: (i) deepening vertical industry expertise and expanding product portfolio to drive business growth; (ii) strengthening visual AI R&D and advancing full-stack technology chain; (iii) attracting and developing talent to drive AI innovation; (iv) expanding into international markets; and (v) establishing manufacturing capacity and pursuing strategic investment and acquisition.

CORE TECHNOLOGIES

Our core technological capabilities are structured in three levels: base technology, fusion technology and building block technology. Base technology comprises computer vision algorithms, optical imaging control and large-scale datasets that serve diverse enterprise needs. Fusion technology combines algorithms, optics, hardware and data to improve performance and cost efficiency through techniques such as AI ISP and multi-sensor fusion. Building block technology consists of cognition and decision engines, optical imaging systems, interaction and execution units, and data middle platforms, enabling efficient development of visual intelligence agents. Leveraging these capabilities, we have developed RecoSee, RecoAware and RecoThink visual intelligence agents across a comprehensive technology stack. See “Business — Core Technologies.”

SPECIALIST INDUSTRY AND ACCEPTABLE SECTORS

Frost & Sullivan confirms, and our Directors are of the view that, each of our products or solutions falls within an acceptable sector of a Specialist Technology Industry under Chapter 18C of the Listing Rules as AI-empowered algorithm programming and AI solutions and/or robot technology on the following basis: (i) they are powered by self-developed computer vision algorithms for visual perception, visual cognition, and visual reasoning, and (ii) our intelligent civil aviation products use AI and computer vision to streamline and automate check-in, security screening, boarding, and passenger services at airports. All revenue from civil aviation, commerce, and driving safety during the Track Record Period was derived from specialist technology products.

CUSTOMERS AND SUPPLIERS

Our customers primarily include system integrators for intelligent civil aviation, commercial real estate developers, industrial complex or public industrial park developers/operators, and door lock manufacturers and integrators for intelligent commerce, and telecommunication companies and in-vehicle equipment manufacturers for intelligent driving safety. Revenue generated from our five largest customers in each year during the Track Record Period accounted for 59.1%, 73.5% and 60.3% of our revenue for 2023, 2024 and 2025, respectively. Revenue generated from our largest customer in each year during the Track Record Period accounted for 24.0%, 31.7% and 14.4% of our revenue for 2023, 2024 and 2025, respectively.

Our suppliers primarily include suppliers of hardware, components, or casing materials, contract manufacturers, and suppliers of basic software systems and modules or data services. The purchases from our five largest suppliers in each year during the Track Record Period accounted for 43.3%, 68.7% and 73.7% of our total purchase amount for 2023, 2024 and 2025, respectively. The purchases from our largest supplier in each year during the Track Record Period accounted for 15.0%, 23.0% and 18.0% of our total purchase amount for 2023, 2024 and 2025, respectively.

SUMMARY

CUSTOMER AND SUPPLIER CONCENTRATION

Civil aviation contracts are driven by major airport groups undertaking terminal upgrades or new construction, while driving safety projects are linked to government-led road safety initiatives. These contracts are usually awarded to a small number of qualified participants, who subsequently procure our AI products and systems. On the supply side, we rely on a limited group of trusted suppliers due to the technical complexity of our products and the need for consistent quality and reliable delivery. Customer and supplier concentration often align, as major projects are generally supported by a single key supplier to ensure product consistency and procurement efficiency.

RESEARCH AND DEVELOPMENT

Our R&D team comprises experts in AI, software and hardware technologies. We have established an IPD management system covering the full product development lifecycle from market analysis and concept validation to development and delivery. See “Business — Research and Development” for details of our R&D and key research projects.

INTELLECTUAL PROPERTY RIGHTS

As at 31 December 2025, we owned: (i) 188 registered patents, of which 175 were internally developed and 13 were co-developed with third parties, and there are no contractual tenure and material payment obligations associated with such co-owned patents; and (ii) 128 software copyrights. See “Business — Intellectual Property Rights.”

REGULATIONS RELATED TO OUR BUSINESS OPERATIONS

Generative AI and Face Recognition

The Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) applies to services that generate content (e.g. text, images, audio or video) for public users within the PRC. As our AI technologies do not involve providing such generated content to the PRC public, we consider these measures not applicable to our current operations. However, we maintain high compliance standards by referring to and, where appropriate, adopting relevant requirements, such as ensuring that training data are lawfully sourced.

The Administrative Measures for the Security of Facial Recognition Technology Applications (《人臉識別技術應用安全管理辦法》) regulate the processing of facial data using facial recognition technologies and require filing with local authorities if more than 100,000 individuals’ facial data are stored. Based on consultation with the provincial CACs, including additional telephone consultations with the Fujian Provincial CAC on May 28, 2026 and the Guangdong Provincial CAC on June 2, 2026, we understand that under a SaaS deployment model, the record-filing obligation lies with the enterprise customer, not the technology service provider. For our FacePass Park Management Platform, we act solely as an entrusted party, and are therefore not currently subject to the record-filing obligations.

Personal Information and Privacy Protection

As an IT service provider, we generally do not access personal information collected by our customers in private deployment scenarios. Under our SaaS model (including our SINHON Business System and FacePass Park Management Platform), we may access personal data only for system troubleshooting or maintenance, in which case we act as an entrusted party in accordance with customer instructions. As a network operator under the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), we have implemented technical and organisational safeguards, completed required filings under the multi-level protection scheme for our core systems and adopted network security controls. We have not been designated as a critical information infrastructure operator under the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), but will comply with all applicable obligations if so designated.

SUMMARY

We have adopted data classification, risk assessment, monitoring and emergency response measures in compliance with the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) and the Data Security Law of the PRC (《中華人民共和國數據安全法》). We have not been subject to any review under the Cybersecurity Review Measures (《網絡安全審查辦法》) but will comply if required.

Based on the nature of our business operations and our current practices, our PRC Legal Adviser is of the view, and our Directors concur, that we had complied in all material respects with applicable PRC laws and regulations relating to data security, personal information protection, data privacy, cybersecurity, and the use of AI and face recognition technologies during the Track Record Period and up to the Latest Practicable Date.

RISK FACTORS

We believe the most significant risks we face include but are not limited to the following: (i) failure to timely develop, enhance, or introduce products and technologies that meet customer needs and gain market acceptance could materially and adversely affect our business, financial condition, results of operations, and competitive position; (ii) we have made, and plan to continue making, substantial investments in R&D, which may not deliver the outcomes we anticipate and could negatively impact our profitability and operating cash flow; (iii) we have a limited operating history and commercialisation track record, which makes it difficult to evaluate our business and prospects, and our past growth may not be indicative of our future performance; (iv) we may face product liability claims due to defects, which could result in significant costs, reputational harm, and loss of market share; (v) we have experienced significant net losses and operating cash outflows during the Track Record Period and may not achieve or sustain profitability in the near future; (vi) our business is subject to seasonality, as acceptance of our products or solutions under intelligent civil aviation and intelligent commerce are mainly concentrated in the second half of the year, especially in the fourth quarter; and (vii) we anticipate incurring substantial R&D expenses and capital expenditures for our business operations and expansion plans, which could negatively impact our short-term cash flow, liquidity, and profitability. See “Risk Factors.”

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our group of Controlling Shareholders, being Mr. Zhan, Mr. Su Xiaosheng, Ms. Chi Chang, Mr. Han Songguang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership, collectively controlled approximately 43.61% of our total share capital. See “History and Corporate Structure — Concert Party Arrangement” details of the concert party arrangement among Mr. Zhan, Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang. Immediately following the completion of the Global Offering, the above group of Controlling Shareholders will continue to hold in aggregate approximately 39.60% of our total share capital.

PRE-IPO INVESTMENTS

Our Company entered into a series of investment agreements (the “Agreements”) to issue 133,859,555 ordinary shares (representing 129,955,245 Shares as subdivided and 3,904,310 Shares issued after the Share Subdivision) to certain Pre-IPO Investors and the then Shareholders for net cash proceeds of approximately RMB719.1 million. Pursuant to the Agreements, our Company granted these investors redemption rights and liquidation preferences rights. No redemption rights and liquidation preference rights granted by the Company were exercised throughout the Track Record Period.

SUMMARY

Pursuant to supplemental agreements, the redemption rights and liquidation preference rights were irrevocably terminated and deemed void *ab initio* on 10 June 2025 and 30 December 2025. Taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplemental agreements, the directors considered it appropriate to present the above investments as equity throughout the Track Record Period. Had the redemption rights and liquidation preference rights granted by the Company to these investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the respective supplemental agreements in 2025, (i) the redemption financial liabilities, total current liabilities, net current liabilities, and net assets would have been:

	31 December 2023	31 December 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Redemption financial liabilities — current	881,625	948,184
Total current liabilities	1,020,978	1,240,928
Net current liabilities	791,949	835,196
Net assets	(768,027)	(826,298)

; and (ii) the finance costs associated with the redemption financial liabilities, the total net loss for the year, basic and diluted loss per share would have been:

	2023/12/31	2024/12/31	2025/12/31
Financial costs associated with the redemption			
financial liabilities (<i>RMB’000</i>)	(66,559)	(66,559)	(30,806)
Total net loss (<i>RMB’000</i>)	(99,136)	(58,271)	(98,955)
Basic and diluted loss per share (<i>RMB</i>)	(0.36)	(0.21)	(0.36)

For further details of the financial impacts, please refer to Note 28 to the Accountants’ Report in Appendix I to this prospectus.

See “History and Corporate Structure — Pre-IPO Investments.” For details of the hypothetical financial impacts had the redemption and liquidation preference rights granted by our Company been accounted for as financial liabilities measured at the present value of the redemption amount before the execution of the supplemental agreements in 2025, see Note 28 to the Accountants’ Report in Appendix I to this prospectus.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following summary of key financial information has been derived or extracted from, and should be read in conjunction with the Accountants’ Report in Appendix I to this prospectus and the information set forth in “Financial Information.”

SUMMARY

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

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

	2023		Year ended 31 December 2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(RMB in thousands, except for percentages)</i>					
Revenue	242,375	100.0	395,182	100.0	442,955	100.0
Intelligent civil aviation	128,793	53.2	228,837	57.9	172,395	38.9
Intelligent commerce	81,181	33.5	96,982	24.5	154,487	34.9
Intelligent driving safety	30,373	12.5	68,978	17.5	115,915	26.2
Others ⁽¹⁾	2,028	0.8	385	0.1	158	0.0
Cost of sales	<u>(143,551)</u>	<u>(59.2)</u>	<u>(237,949)</u>	<u>(60.2)</u>	<u>(275,864)</u>	<u>(62.3)</u>
Gross profit	98,824	40.8	157,233	39.8	167,091	37.7
Other income and gains	9,918	4.1	11,903	3.0	9,733	2.2
Selling and distribution expenses	(39,972)	(16.5)	(41,344)	(10.5)	(39,507)	(8.9)
Administrative expenses	(42,731)	(17.6)	(43,848)	(11.1)	(54,443)	(12.3)
Research and development costs	(46,636)	(19.2)	(53,136)	(13.4)	(71,898)	(16.2)
Impairment losses on financial assets and contract assets, net	(9,825)	(4.1)	(18,913)	(4.8)	(70,054)	(15.8)
Other expenses	(763)	(0.3)	(1,663)	(0.4)	(4,081)	(0.9)
Finance costs	<u>(1,392)</u>	<u>(0.6)</u>	<u>(1,944)</u>	<u>(0.5)</u>	<u>(4,990)</u>	<u>(1.1)</u>
PROFIT/(LOSS) BEFORE TAX	(32,577)		8,288		(68,149)	
Income tax expense	<u>—</u>		<u>—</u>		<u>—</u>	
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>(32,577)</u>		<u>8,288</u>		<u>(68,149)</u>	

Note:

- (1) Other primarily includes sales of smart water and electricity metres and electronic components.

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see “— Share Capital and Total Equity” below and note 28 to the Accountants’ Report set out in Appendix I to this prospectus.

Non-IFRS Financial Measures

Below we set out our adjusted net profit/(loss) (a non-IFRS measure) for the years ended 31 December 2023, 2024 and 2025, derived from our net profit/(loss) under IFRSs by adding back (i) share-based payment expenses and (ii) listing expenses. Management uses this measure to supplement analysis of operating performance, as it excludes non-cash share-based charges and one-off listing expenses related to our Global Offering. These non-IFRS measures have been calculated using the same consolidation scope, accounting policies and period cut-offs applied in the Accountants’ Report prepared in accordance with IFRSs. No pro forma, normalisation or other hypothetical adjustments have been made.

These measures are not recognised under IFRSs, may differ from similar measures used by other companies, and should not be considered in isolation from the IFRS financial information.

SUMMARY

We believe this presentation is intended to assist investors in understanding our underlying operating performance during the Track Record Period; and it does not purport to indicate results for any future period.

	For the year ended 31 December <i>(RMB'000, except percentages)</i>		
	2023	2024	2025
Net profit/(loss) (IFRS)	(32,577)	8,288	(68,149)
Add: Share-based payment expenses	4,002	—	5,307
Add: Listing expenses	—	519	14,053
Adjusted net profit/(loss) (non-IFRS)	(28,575)	8,807	(48,789)
Adjusted net profit/(loss) (non-IFRS) as % of revenue	(11.8)%	2.2%	(11.0)%

During the Track Record Period, our net (loss)/profit fluctuated due to changes in revenue scale, gross profit margins, cost structure, and continued investment in operations and research and development. In 2023, we recorded a net loss of RMB32.6 million on revenue of RMB242.4 million. Gross profit was RMB98.8 million (gross profit margin: 40.8%), primarily reflecting our product mix and operational efficiencies. The transition to a produce-to-order model reduced inventory holding costs, although continued investment in research and development and organisational infrastructure, contributed to the overall loss. In 2024, we achieved a net profit of RMB8.3 million on revenue of RMB395.2 million, with gross profit of RMB157.2 million (gross profit margin: 39.8%). The improvement was mainly attributable to increased commercialisation of our AI products and strong performance of the intelligent civil aviation and intelligent driving safety segments, supported by cost optimisation and improved operating leverage. In 2025, we recorded a net loss of RMB68.1 million on revenue of RMB443.0 million (gross profit margin: 37.7%). The loss was primarily attributable to the Group's continued investment in research and development, increased listing expenses of RMB14.1 million, and higher impairment losses on financial assets and contract assets mainly due to the increase in the trade receivables balance resulting from revenue growth. Revenue during the year was primarily contributed by the intelligent civil aviation segment, which remained the largest contributor at RMB172.4 million, followed by intelligent commerce at RMB154.5 million and intelligent driving safety at RMB115.9 million. Compared to 2024, in which approximately 57.9% of total revenue (RMB228.8 million) was derived from intelligent civil aviation, the Group's revenue base has become more diversified, with the intelligent commerce and intelligent driving safety segments representing an increasing share of total revenue.

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected items from our consolidated statements of financial position as at the dates indicated:

	2023	As at 31 December	2025
		2024	
		<i>(RMB in thousands)</i>	
Non-Current Assets	27,788	13,069	24,164
Current Assets	229,029	405,732	657,685
Current Liabilities	139,353	292,744	564,162
Net Current Assets	89,676	112,988	93,523
Total Assets Less Current Liabilities	117,464	126,057	117,687
Total Non-Current Liabilities	3,866	4,171	10,128
Net Assets	113,598	121,886	107,559

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see “— Share Capital and Total Equity” below and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Our net assets changed during the Track Record Period primarily due to fluctuations in profitability, capital contributions and non-cash equity adjustments, as reflected in the consolidated statements of changes in equity in the Accountants' Report set out in Appendix I. As at 31 December 2023, our net assets were RMB113.6 million. Total comprehensive loss for the year was RMB32.6 million (RMB29.4 million attributable to owners; RMB3.1 million to non-controlling interests). A

SUMMARY

reorganisation among subsidiaries resulted in a net equity increase of RMB2.0 million, while RMB4.0 million was recognised for equity-settled share awards and RMB27.3 million was transferred from the share-based payment reserve to capital reserve. As at 31 December 2024, our net assets increased to RMB121.9 million. Total comprehensive income for the year was RMB8.3 million (RMB9.7 million attributable to owners; loss of RMB1.4 million to non-controlling interests). There were no capital injections or share-based payment movements during the year. As at 31 December 2025, our net assets decreased to RMB107.6 million. Total comprehensive loss for the year was RMB68.1 million (RMB67.2 million attributable to owners; RMB0.9 million to non-controlling interests). Shareholders contributed RMB48.5 million (RMB0.8 million in share capital; RMB47.7 million in capital reserve). Upon conversion into a joint stock company, RMB54.7 million was reclassified as share capital and RMB527.1 million was transferred from capital reserve to offset accumulated losses, with no net effect on total equity. RMB5.3 million was recognised for equity-settled share awards. As at 31 December 2023, 2024 and 2025, our consolidated reserves were RMB64.3 million, RMB74.0 million and RMB59.9 million, respectively.

Our net current assets changed during the Track Record Period primarily due to variations in working capital, revenue cycles and operational scale, reflecting ongoing efforts in inventory management, trade receivable collection and procurement timing. As at 31 December 2023, net current assets improved as inventory fell to RMB30.2 million under a produce-to-order model (turnover days: 174). Trade receivables increased in line with revenue, while current liabilities rose due to higher transaction volumes. Equity adjustments from the reorganisation supported overall balance sheet stability. As at 31 December 2024, net current assets further strengthened as inventory declined to RMB23.9 million (turnover days: 64). Higher gross profit and improved working capital efficiency enhanced liquidity, while trade receivables continued to increase alongside revenue growth and stronger collection performance, reducing dependence on external funding. As at 31 December 2025, net current assets decreased to RMB93.5 million. Inventory further declined to RMB19.3 million (turnover days: 45) under the produce-to-order model. Trade receivables rose to RMB586.6 million with revenue growth, accompanied by an increase in impairment provision rate to 17.1%. Current liabilities grew due to higher trade payables and increased bank borrowings, while cash and cash equivalents decreased to RMB38.1 million as net operating cash outflows were partially offset by financing inflows. Capital contributions from shareholders and bank borrowings supported working capital during the year. Overall, movements in current assets and liabilities during the Track Record Period were consistent with business growth and operational adjustments.

For further details, please refer to “Financial Information — Discussion of Certain Key Items on Consolidated Statements of Financial Position.”

Selected Items from the Consolidated Statements of Cash Flows

The following table sets forth selected items from our consolidated statements of cash flow for the periods indicated:

	2023	Year ended 31 December 2024 <i>(RMB in thousands)</i>	2025
Cash generated from/(used in) operations	(63,594)	13,055	(125,226)
Interest received	239	126	9
Net cash flows from/(used in) operating activities	(63,355)	13,181	(125,217)
Net cash flows from/(used in) investing activities	24,232	(2,279)	(1,878)
Net cash flows from financing activities	12,103	33,115	110,557
Cash and cash equivalents at beginning of year	37,672	10,661	54,678
Effect of foreign exchange rate changes, net	9	—	(4)
Cash and cash equivalents at end of the year	<u>10,661</u>	<u>54,678</u>	<u>38,136</u>

We recorded net operating cash outflows in 2023 and 2025, mainly due to working capital requirements during the early stages of commercialisation, consistent with our business expansion strategy. These outflows were largely offset by capital injections. In 2023, cash outflows moderated

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as revenue increased and gross margins improved. Inventories decreased to RMB30.2 million, supporting cash flow, while trade receivables grew to RMB174.5 million alongside revenue expansion. Seasonal procurement required additional cash, though cost optimisation and improved profitability helped narrow the cash gap. In 2024, we recorded net operating cash inflows as profitability and working capital efficiency improved. In 2025, we recorded net operating cash outflows of RMB125.2 million, reversing from inflows in 2024. Trade receivables increased significantly to RMB586.6 million with revenue growth, while inventory further declined to RMB19.3 million (turnover days: 45), contributing positively to cash flow. Net losses and higher impairment provisions on receivables weighed on operating cash generation, although increased trade payables partially offset these outflows. The shortfall was funded through bank borrowings and shareholder capital contributions. Overall, cash flow movements during the Track Record Period were in line with our growth strategy, with early-stage outflows financed by equity and subsequent improvements driven by higher profitability and better working capital management. For further details, please refer to “Financial Information — Consolidated Statements of Cash Flows.”

CASH BURN

Our cash burn rate refers to the average monthly cash operating costs related to workforce employment and research and development. Our historical monthly average cash burn rate was RMB7.8 million, RMB8.7 million and RMB10.0 million in 2023, 2024 and 2025, respectively. Assuming that the average cash burn rate going forward will be RMB10.0 million, based on the underlying assumptions that (i) our workforce growth will generally align with our business expansion and not increase unexpectedly, (ii) no substantial unexpected capital expenditures; and (iii) no other acquisitions and investments, we estimate that our cash and cash equivalents of approximately 10.5 million as at the Latest Practicable Date, financial assets at fair value through profit or loss of approximately RMB0.2 million as at the Latest Practicable Date, and unutilised banking facilities of approximately RMB330.5 million as at the Latest Practicable Date will be able to maintain our financial viability for approximately 34 months; or if we also take into account the estimated net proceeds from the Listing allocated for R&D and general corporate purposes of approximately RMB291.1 million in aggregate, approximately 63 months assuming an Offer Price of HK\$21.66 per H Share. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status.

Frost & Sullivan considers the cash burn analysis justified, taking into account our financial performance, available resources, use of proceeds, and market position. During the Track Record Period, our revenue grew at a compound annual growth rate of 35.2%, and gross profit margin remained stable at approximately 37.7% to 40.8%. Based on the Group’s cash and cash equivalents, financial assets at fair value through profit or loss and unutilised banking facilities as at the Latest Practicable Date, the Directors estimate that the Group has a cash runway of approximately 34 months, excluding net proceeds. With estimated net proceeds of HK\$529.1 million, the runway extends beyond 12 months. The Directors confirm we have sufficient working capital for at least the next 12 months. The planned use of net proceeds prioritises research and development and general corporate purposes, addressing key cost drivers while supporting business development. Our market share and growth outlook in China’s enterprise visual AI sector support the view that current cash burn reflects an investment phase aligned with expansion plans.

See “Financial Information — Liquidity and Capital Resources — Cash Burn.”

SUMMARY

KEY FINANCIAL RATIOS

	As at/for the year ended 31 December		
	2023	2024	2025
Gross profit margin	40.8%	39.8%	37.7%
Current ratio	1.64	1.39	1.17
Quick ratio	1.43	1.30	1.13

See “Financial Information — Key Financial Ratios.”

LISTING EXPENSES

We recorded listing expenses of nil, RMB0.5 million and RMB14.1 million in 2023, 2024 and 2025 respectively. We expect to incur a total of approximately RMB68.9 million (HK\$79.3 million) of listing expenses in connection with the Global Offering, representing approximately 13.0% of the gross proceeds from the Global Offering (assuming an Offer Price of HK\$21.66), including (1) underwriting commissions, sponsor fees, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB36.6 million (HK\$42.1 million), and (2) non-underwriting related expenses of approximately RMB32.3 million (HK\$37.2 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB19.8 million (HK\$22.8 million), and (ii) other fees and expenses of approximately RMB12.5 million (HK\$14.4 million). Approximately RMB35.3 million (HK\$40.6 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB33.6 million (HK\$38.7 million) is expected to be deducted from equity. The listing expenses above are the best estimate as at the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

FUTURE PLANS AND USE OF PROCEEDS

After deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$21.66 per Share, we estimate that we will receive net proceeds of approximately HK\$529.1 million from the Global Offering. We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 55.8% of the net proceeds, or HK\$295.1 million, will be used to conduct and enhance our R&D capabilities and product offerings, including R&D on product iteration, and new product development.
- Approximately 26.3% of the net proceeds, or HK\$139.2 million, will be used for the establishment of our production base for in-house manufacturing, assembly, and testing of our hardware and systems.
- Approximately 10.4% of the net proceeds, or HK\$55.1 million, will be used for enhancement of marketing capabilities and expansion of overseas sales channels.
- Approximately 7.5% of the net proceeds, or HK\$39.7 million, will be used for general corporate purposes.

See “Future Plans and Use of Proceeds.”

SUMMARY

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period and up to the Latest Practicable Date, we did not declare or pay any dividends, nor did we have any formal dividend policy in place or pre-determined dividend payout ratio. Pursuant to our Articles of Association, our Board will formulate the dividends distribution plan after taking into account our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association, applicable PRC law and approval by our Shareholders. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Adviser, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. See “Financial Information — Dividends.”

COMPETITIVE LANDSCAPE

The enterprise visual AI product market in which we operate are characterised by a high degree of competition and fragmentation. We compete with both specialised AI technology companies in the industry sectors we have entered and other market participants that currently lack specific AI capabilities in such sectors but may seek to develop and commercialise their own AI algorithms and expand their product offerings in ways that directly compete with ours. In addition, we may face competition from our existing and prospective customers if they begin to develop AI solutions in house. We may also face increasing competition from new market entrants, including those that offer lower cost solutions or introduce new technologies and products. See “Industry Overview” and “Business — Competition.”

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK\$21.66 per H Share
Market capitalisation of our H Shares ⁽¹⁾	HK\$5,929 million
Market capitalisation of our Shares ⁽²⁾	HK\$6,613 million
Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share ⁽³⁾⁽⁴⁾	HK\$2.21

Notes:

1. The calculation of market capitalisation is based on 273,727,616 H Shares expected to be in issue immediately upon completion of the Global Offering and the conversion of Domestic Shares into 245,640,616 H Shares.
2. The calculation of market capitalisation is based on 305,292,905 Shares expected to be in issue immediately upon completion of the Global Offering.
3. The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as at 31 December 2025 per Share is arrived at on the basis of 305,292,905 Shares that are in issue (retrospectively adjusted for share subdivision as disclosed in the section headed “History and Corporate Structure” in this prospectus), assuming the Global Offering has been completed on 31 December 2025.
4. No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company as at 31 December 2025 to reflect any trading result or other transactions of our Group entered into subsequent to 31 December 2025.

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RECENT DEVELOPMENT

In May 2026, we were awarded the Third Prize at the China (International) Sensor Innovation and Entrepreneurship Competition — Force and Tactile Technology and Application Competition Final (中國(國際)傳感器創新創業大賽 — 力觸覺技術及應用大賽決賽三等獎). We continue to advance our technological capabilities in embodied artificial intelligence. In April 2026, we introduced our VTFLA model, an end-to-end embodied large model integrating vision, tactile and force sensing inputs, which builds on conventional VLA frameworks and is designed to enhance decision-making performance in complex and unstructured environments. We have also commenced research and development of a wheeled-leg humanoid robot based on the VTFLA model as part of our ongoing efforts to expand and refine our robotics product portfolio.

Our Directors have confirmed that up to the date of this Prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 December 2025 (being the date of our latest audited financial statements) and there has been no event since 31 December 2025 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus. Given our net loss and negative operating cash flow positions in 2025, we expect to remain in a net loss position for the year ending 31 December 2026, primarily due to our planned increased R&D investment to strengthen our strategic positioning and development in the robotics sector, as well as the impact of listing expenses.

PATH TO PROFITABILITY

We recorded a net loss of RMB32.6 million in 2023 and RMB68.1 million in 2025, and net operating cash outflows of RMB63.4 million in 2023 and RMB125.2 million in 2025. Historically, we have made significant investments in R&D and sales efforts to develop and commercialise our products and strengthen our brand presence. As our business scales, we expect to improve profitability through: (i) expanding and diversifying product and service offerings, (ii) expanding into overseas markets, (iii) improving cost efficiency through in-house manufacturing, and (iv) enhancing R&D efficiency. See “Business — Path to Profitability” for further details.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this prospectus
“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III to this prospectus
“Audit Committee”	audit committee of the Board
“Board” or “Board of Directors”	the Board of Directors of our Company
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
“Capital Market Intermediaries” or “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediaries as 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, excluding, for the purpose of this prospectus only, Hong Kong, Macau and Taiwan
“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”	Reconova Technologies Co., Ltd. (廈門瑞為信息技術股份有限公司) (previously known as 廈門瑞為信息技術有限公司), established in China on 5 March 2012 and converted into a joint stock company with limited liability on 11 June 2025
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法) as amended, supplemented or otherwise modified from time to time
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Zhan, Mr. Su Xiaosheng, Ms. Chi Chang, Mr. Han Songguang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership
“Conversion of Domestic Shares into H Shares”	the conversion of 245,640,616 Domestic Shares into H Shares on a one-for-one basis upon the completion of the Global Offering

DEFINITIONS

“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Domestic Shares” or “Domestic Unlisted Shares”	ordinary Shares in the share capital of our Company with a nominal value of RMB0.20 each, which are subscribed for and paid up in RMB and are not listed or traded on any stock exchange
“Exchange Participant(s)”	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“FINI”	“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., an independent industry research consultant commissioned to prepare the Frost & Sullivan Report
“Frost & Sullivan Report”	a market research report commissioned by us and prepared by Frost & Sullivan on the overview of the industry in which our Group operates
“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,” “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“Guide”	Guide for New Listing Applicants issued by the Stock Exchange in December 2023, as amended from time to time
“H Share(s)”	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB0.20 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“HK eIPO White Form”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website at www.hkeipo.hk
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI System to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operation and functions of the Systems, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 1,404,400 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in the section headed “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), on and subject to the terms and conditions described in this prospectus and 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” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 26 June 2026 relating to the Hong Kong Public Offering entered into by our Company, Mr. Zhan, Mr. Han Songguang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership, Ruiyitong Technology Partnership, the Joint Sponsor-OCs, ABCI Securities Company Limited and the Hong Kong Underwriters
“IFRSs”	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the International Accounting Standard Board
“independent third party(ies)”	person(s) or company(ies), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning ascribed thereto under the Listing Rules
“International Offer Shares”	the 26,682,600 H Shares initially offered by our Company for subscription pursuant to the International Offering (subject to reallocation as described in “Structure of the Global Offering”)

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“International Offering”	the offer of the International Offer Shares by the International Underwriters at the Offer Price to persons outside the United States in offshore transactions in accordance with Regulation S, and subject to the terms and conditions of the International Underwriting Agreement, as further described in “Structure of the Global Offering”
“International Underwriters”	the group of international underwriters that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering to be entered into by our Company, our Controlling Shareholders, the Joint Sponsor-OCs and the International Underwriters
“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in “Directors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in “Directors and Parties Involved in the Global Offering”
“Joint Sponsors”	Huatai Financial Holdings (Hong Kong) Limited, CCB International Capital Limited and ABCI Capital Limited
“Joint Sponsor-OCs” or “Sponsor-OCs”	Huatai Financial Holdings (Hong Kong) Limited, CCB International Capital Limited and ABCI Capital Limited
“Latest Practicable Date”	21 June 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or around Wednesday, 8 July 2026, on which our H Shares of the Company are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Mr. Zhan”	Mr. Zhan Donghui (詹東暉), our founder, Controlling Shareholder, chairman of our Board, executive Director and general manager
“Nomination Committee”	the nomination committee of our Board
“Offer Price”	HK\$21.66, being the price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this prospectus
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares

DEFINITIONS

“Overall Coordinators”	the overall coordinators as named in “Directors and Parties Involved in the Global Offering”
“Pathfinder SII(s)”	has the meaning ascribed to it under Chapter 2.5 of the Guide
“PRC Legal Adviser”	King & Wood, being the legal advisor of our Company as to the PRC laws
“Pre-IPO Investor(s)”	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in “History and Corporate Structure — Pre-IPO Investments” in this prospectus
“Regulation S”	Regulation S under the U.S. Securities Act
“Ruiyitong Technology Partnership”	Shenzhen Ruiyitong Technology Partnership Enterprise (Limited Partnership) (深圳瑞億瞳科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 28 November 2024, a share incentive platform and one of our Controlling Shareholders
“Ruiyuan Technology Partnership”	Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞元科技中心合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 30 April 2019, a share incentive platform and one of our Controlling Shareholders
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB0.20 each, comprising Domestic Shares and H Shares
“Shares Subdivision”	the subdivision of one Share with nominal value of RMB1.00 into five Shares with nominal value of RMB0.20 each on 21 June 2025
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Reconova”	Shenzhen Reconova Intelligent Technologies Co., Ltd. (深圳瑞為智能科技有限公司), a limited company established in the PRC on 20 November 2014 and a wholly-owned subsidiary of our Company
“Shenzhen Ruiyuan Technology Partnership”	Shenzhen Ruiyuan Technology Centre Partnership (Limited Partnership) (深圳瑞遠科技中心合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 10 April 2019, a share incentive platform and one of our Controlling Shareholders
“Sophisticated Independent Investor(s)” or “SII(s)”	has the meaning ascribed to it under Chapter 2.5 of the Guide
“Specialist Technology”	has the meaning ascribed to it under the Listing Rules and Chapter 2.5 of the Guide
“Specialist Technology Company(ies)”	has the meaning ascribed to it under the Listing Rules and Chapter 2.5 of the Guide

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“Specialist Technology Industry” or “an acceptable sector of a Specialist Technology Industry”	has the meaning ascribed to it under the Listing Rules and Chapter 2.5 of the Guide
“Specialist Technology Product(s)”	has the meaning ascribed to it under the Listing Rules and Chapter 2.5 of the Guide
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Track Record Period”	the three years ended 31 December 2025
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“US Legal Adviser”	Sherman Shi Law Group P.C., being the legal adviser of our Company as to the US laws
“%”	percent

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

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

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

GLOSSARY OF TECHNICAL TERMS

“3D”	three-dimensional
“ADAS”	advanced driver assistance system, an intelligent vehicle system designed to enhance safety and driving comfort by using sensors, cameras, and software to assist braking, steering, parking, and collision avoidance
“AE”	auto exposure, a camera function that automatically adjusts exposure settings (e.g., shutter speed, aperture, ISO) to optimise lighting
“AI”	artificial intelligence, simulation of human intelligence in machines, enabling them to perform tasks such as learning, reasoning, and problem-solving autonomously
“AI-ISP”	AI-based image signal processing to enhance raw image data captured by a camera sensor
“algorithm”	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer
“B”	an abbreviation for billion, used to denote model parameter count (e.g., “2B” = 2 billion; “10B” = 10 billion)
“B2B”	business-to-business
“beta test”	a pre-release user trial to identify issues and gather feedback before official launch
“big data”	large, complex datasets requiring specialised processing and analysis
“broad range imaging”	an imaging technology supporting multi-spectral imaging under diverse lighting conditions to deliver high-definition images
“BSD”	blind spot detection, a driver-assistance feature to alert the driver to vehicles in blind spots or rear areas, helping prevent lane-change collisions
“CAGR”	compound annual growth rate, which is calculated by dividing the ending value by the beginning value, raising the result to the power of one divided by the number of years, and then subtracting one
“cloud”	remote servers used to store, manage, and process data
“cloud-native elastic architecture”	a cloud-based architecture (e.g., containers and microservices that automatically scale resources based on demand)
“computer vision”	a field of AI that allows computers to analyse and interpret visual information from images or videos, which enables them to recognise objects, scenes and activities
“computing power”	a chip’s capability to process data and execute computations per unit time
“data middle platform”	a centralised data infrastructure that integrates, processes, and manages data across departments, enabling unified access, standardised services, and data sharing for analytics
“deep learning”	a subset of AI and machine learning using multi-layered neural networks to achieve high accuracy in tasks such as detection, recognition and language processing; it can learn features directly from large datasets with limited manual rule design

GLOSSARY OF TECHNICAL TERMS

“DMS”	driver monitoring system, a safety system using in-vehicle sensors and AI to detect driver state (e.g., fatigue or distraction) and issue warnings
“edge chip”	a specialised processor designed to run AI tasks on edge devices, enabling low-latency and power-efficient processing without cloud connection
“intelligence agent”	an entity (software, hardware, or system) that can perceive its environment and respond through perception, cognition, decision-making, and execution to achieve specific goals
“interaction and execution unit”	a system component enabling real-time interaction by processing commands, triggering actions, and providing immediate feedback
“IoT”	Internet of Things, a network of interconnected devices that collect and exchange data in real-time, enabling automation and communication between devices
“IPD”	Integrated product development, a structured integrating product development activities across the product lifecycle
“ISO”	the International Organisation for Standardisation, a worldwide federation of national standards bodies
“large model”	a machine learning model with a large number of parameters, typically built with deep neural networks to handle complex tasks and large datasets
“LLM(s)”	large language model, an AI model trained on large-scale datasets to enable advanced semantic understanding and contextual reasoning. Built on transformer architectures, it can interpret nuanced language, integrate domain-specific knowledge, and support complex analytical and decision-support tasks
“lx”	a unit of measurement for illuminance, indicating how much light is received on a surface per square metre
“machine learning”	a subset of AI focused on developing algorithms that allow machines to learn from data and improve performance over time without explicit task-specific programming
“middleware”	a software that acts as a bridge between applications, services, or systems, enabling them to communicate and exchange data
“module”	self-contained unit or component of a larger system, designed to perform a specific function and integrate with other parts
“MoE”	mixture of experts, an AI model design using multiple specialised sub-models (i.e. experts) and a gating mechanism to select experts for each input
“multimodal”	an AI model that can process and integrate multiple data types (e.g., text, images, and audio) to enhance decision-making and understanding
“OMS”	occupant monitoring system, vehicle technology to detect, track, and analyse drivers’ and passengers’ presence, position, and status

GLOSSARY OF TECHNICAL TERMS

“optical imaging”	imaging using optical as hardware (e.g., sensors and lenses) and software (e.g., ISP and algorithms) to produce high-quality digital images or videos that meet strict requirements such as clarity and stability, under varying lighting and weather conditions
“point cloud”	a collection of data points in 3D space that represent the external surface of an object or environment
“quantisation”	a technique that reduces parameter precision to decrease storage requirements, improve computational efficiency, and enable deployment on resource-constrained hardware
“R&D”	research and development
“Recadas Safety Risk Management Platform”	our proprietary AI-driven safety risk management system that analyses driver behaviour and environmental data in real time to improve fleet safety, enable targeted interventions, and support data-driven insurance insights
“ReID”	re-identification, used to recognise and match the same individual or object across different images or video frames, often from different cameras or viewpoints
“RGB-D”	a type of image or sensor data that includes both red, green, blue colour information and depth information for each pixel
“SDR”	smart driving recorder, an intelligent in-vehicle device to monitor, record and analyse driving behaviour and vehicle operation data in real time
“simulation”	tools and methods that create digital representations of real-world processes to analyse behaviour and predict outcomes
“SaaS”	Software as a Service, a cloud-based software delivery model where users access applications over the internet without needing to install or maintain software on local devices
“structured light”	a depth-sensing technique where a known pattern of light (e.g., dots, stripes, grids) is projected onto a scene, and depth is calculated based on how the pattern deforms when it hits surfaces
“ToF”	time of flight, a depth-sensing technology that measures the time a light signal (usually infrared) takes to travel from the sensor to an object and back in order to calculate distance
“VLM(s)”	vision-language large model, a multimodal AI model combining visual and textual understanding to process and generate information across both images or videos and language. Trained on large-scale paired image-text datasets, a VLM can perform tasks such as image captioning, visual question answering, object recognition with descriptions
“VLA model(s)”	vision-language-action model, a multimodal AI model combining visual perception, language understanding, and action execution to interact with real-world or simulated environments. A VLA model can interpret visual inputs, comprehend instructions, and perform corresponding actions

GLOSSARY OF TECHNICAL TERMS

- “VTFLA model(s)” vision-tactile-force-language-action model, an extension of the VLA paradigm, this multimodal embodied AI model integrates tactile sensing and force feedback into the traditional perception-to-action pipeline. By unifying visual, tactile, and force modalities with semantic comprehension, the VTFLA model executes fine-grained physical interactions, enabling precise manipulation in complex and unstructured scenarios
- “visual AI” a subfield of AI that combines optical imaging technology with computer vision algorithms, enabling machines to perceive and understand external information through visual inputs such as images and videos. It enables intelligent tasks such as object detection, scene analysis, behaviour recognition, and interactive execution

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

RISK FACTORS

An investment in our H Shares involves various risks. You should carefully consider all of the information in this prospectus, including the following risk factors before making any investment decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The trading price of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO R&D

Failure to timely develop, enhance, or introduce products and technologies that meet customer needs and gain market acceptance could materially and adversely affect our business, financial condition, results of operations, and competitive position.

Our future business, results of operations, financial condition, and competitive position rely on our ability to develop and introduce new technologies and products that incorporate and integrate the latest technological advancements. We may face unexpected technical challenges in completing development of new technologies and products and/or upgrading our existing product portfolio in a cost-efficient manner, for example, including integration complexity, performance and reliability issues, and delays in testing and deployment. Our success depends on our ability to, for example, design differentiated, efficiency-enhancing features; expand and enhance our technology stack; respond to competitor innovations; and adapt swiftly and cost-effectively to evolving customer needs, market conditions, and industry trends. Failure to timely develop or upgrade products and technologies, or to achieve market acceptance, could materially and adversely affect our business, financial condition, results of operations, and competitive position.

We have made, and plan to continue making, substantial investments in R&D, which may not deliver the outcomes we anticipate and could negatively impact our profitability and operating cash flow.

The enterprise visual AI product industry is characterised by rapid technological changes and continuous innovation. We have made, and plan to continue making, substantial investments in R&D. Our R&D expenses amounted to RMB46.6 million in 2023, RMB53.1 million in 2024, and RMB71.9 million in 2025. However, there is no assurance that our R&D investments and efforts will yield the results we anticipate. The outcomes of R&D activities are inherently uncertain. Even with successful advancements, we may face challenges in commercialization and short-term negative impacts on cash flow and liquidity. Moreover, technological advancements by others could render our existing products, or those under development, obsolete or less attractive, preventing us from recovering our R&D costs. Furthermore, our R&D efforts may not contribute to our results of operations for an extended period, if at all. Even if they do, such contributions may fall short of our expectations, and we may never fully recover the costs associated with these efforts. This could materially and adversely affect our business, results of operations, and financial condition.

Loss of key R&D personnel or failure to attract and retain qualified talent may materially and adversely affect our business, financial condition, results of operations and prospects.

Our R&D capabilities depend on the continued contributions of our key R&D personnel. There is no assurance that all of these individuals will remain with us, or that their departure would not have a material adverse impact on the continuity and progress of our R&D programmes. If they leave or join a competitor, our ability to carry out R&D, advance new technologies and develop new products may be adversely affected, and potentially delaying our planned R&D and product launch schedules. The ability to attract, recruit and retain a sufficient number of skilled R&D professionals is subject to various external factors, including the availability of qualified candidates in the labour market, competition for talent, prevailing wage levels, demographic trends, and changes in employment and labour laws and regulations. If we are unable to attract or retain qualified personnel, or to fill key R&D positions in a timely and cost-effective manner, the quality and timeliness of our R&D activities, as well as our overall competitiveness, may be negatively impacted.

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RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

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

Established in 2012, we began commercialising our specialist technology products in 2017, and have since expanded our product portfolio for civil aviation, commerce and driving safety scenarios. However, compared to more established competitors, our shorter operating and commercial history makes it challenging to assess our business or predict future performance. Our past growth may not be indicative of future performance, particularly given the rapid evolution of the enterprise visual AI product industry. We may face higher risks, longer timeframes, and greater costs in expanding our product portfolio and customer base, compared to companies with more commercialisation experience. Our ability to succeed relies on attracting and retaining qualified personnel with the technical and commercial expertise necessary to support sales and marketing efforts. There is no assurance that our commercialisation strategies will be successful or that product sales will meet expectations. Our customers continuously seek products with enhanced functionality at lower costs. Our success depends on our ability to innovate, improve existing offerings, and adapt to new markets and customer demands. Expanding into new product lines or sectors may expose us to unfamiliar market conditions, new competitors, and diverse distribution requirements. If we fail to adapt effectively, or encounter unforeseen technical or market-related challenges, it could materially and adversely affect our ability to commercialise products and, in turn, our business, financial condition, and results of operations.

We may face product liability claims due to defects, which could result in significant costs, reputational harm, and loss of market share.

Our products may contain errors, defects, security vulnerabilities, or software issues that are difficult to identify and address, especially during initial launches or the release of new versions or updates. Some issues may only be discovered after commercialisation and deployment by customers in their operations or other applications. If they do occur, we may need to allocate substantial resources to repair or replace defective products, investigate the root cause of the defects, implement corrective actions, and enhance quality control processes to prevent similar issues from recurring. We generally provide a limited warranty period for our products, under which we are obligated to repair or replace defective products, depending on the nature and extent of the defect. If we fail to resolve these problems in a timely manner or at all, we may incur costs related to product recalls, repairs, or replacements. Moreover, customers or third parties may initiate claims or seek compensation for losses allegedly caused by product deficiencies, which could potentially lead to lawsuits and expose us to legal liabilities and damages. Customers may seek compensation for these losses or discontinue their business relationships with us entirely. Defending against such claims could be time-consuming and costly, potentially damaging our reputation and brand, which in turn could negatively impact our business, results of operations, and financial condition.

The enterprise visual AI product industry is highly competitive.

The enterprise visual AI product industry is highly competitive. If we compete with established players that have a longer operating history than us, or if we fail to acquire or maintain sufficient financial resources, leading technological capabilities, or a broader customer base than our competitors, we may not be able to respond as quickly or effectively to new or changing opportunities, technologies, or customer demand. We may also face competition from new market entrants who may offer more affordable and/or advanced products and solutions, thereby intensifying competition in the future. Increased competition could lead to reduced sales volumes, price reductions, narrower profit margins, or a loss of market share. We may need to make significant additional investments in R&D, sales and marketing, talent recruitment and retention, and the acquisition of complementary or essential technologies for our current and future products to address these competitive challenges. However, we cannot assure you that such investments will

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be successful or effective. If we are unable to compete effectively, or if maintaining competitiveness requires us to undertake costly measures in response to competitors' actions, our business, results of operations and financial condition may be materially and adversely affected.

Advancements in competing products or alternative technologies may adversely affect the demand for our products and solutions.

Our enterprise visual AI products and solutions leverage computer vision algorithms and optical imaging technologies. However, technological advancements in competing fields or the emergence of alternative products and solutions could pose significant challenges to the growth of the enterprise visual AI product industry. For instance, new technologies or products that provide similar functionalities, such as alternative biometric systems, or improved conventional solutions that do not rely on AI or computer vision, may become widely adopted. These alternatives could be perceived as more safe, cost-effective, or easier to implement than AI-based enterprise products and solutions. If we, or the enterprise visual AI product industry as a whole, fail to adapt to these evolving technologies or market demands, our solutions may become less competitive or even obsolete in certain applications. This could lead to reduced market opportunities, declining revenues, difficulty in retaining or attracting key talent, and the loss of market share to competing technologies or alternative approaches.

A substantial portion of our business depends on sales to the civil aviation and commercial real estate sectors. Changes in industry policies, investment priorities or market conditions may adversely affect our business, results of operations and financial condition.

During the Track Record Period, a substantial portion of our sales were made to customers in the civil aviation and commercial real estate sectors. In 2023, 2024 and 2025, revenue generated from intelligent civil aviation and intelligent commerce in aggregate accounted for 86.6%, 82.4% and 73.8%, respectively, of the total revenue in the corresponding year. In the civil aviation sector, demand for our products is influenced by factors such as airport expansion and upgrade plans, which are affected by public infrastructure planning, long-term investment cycles and passenger traffic projections. Any delay or reduction in such projects due to policy changes, funding constraints or macroeconomic conditions may adversely impact our business. In the commercial real estate sector, demand for our products and solutions is driven by the adoption of intelligent marketing tools, operational upgrades and digital transformation initiatives, which are often dependent on capital expenditure budgets and influenced by consumer spending power, market sentiment as well as broader sustainability objectives. A downturn in investment or cautious spending by commercial real estate developers may lead to reduced demand for our services.

We rely on a limited number of customers, and the loss of, or a significant decline in sales to, any of these key customers could negatively impact our business, results of operations, and financial condition.

We rely on a limited number of key customers for a portion of our revenue, and any adverse changes in our relationships with these customers could materially impact our business. During the Track Record Period, sales to our top five customers in each year were RMB143.2 million in 2023, RMB290.6 million in 2024, and RMB267.1 million in 2025, accounting for 59.1%, 73.5% and 60.3% of our total revenue for 2023, 2024 and 2025, respectively. Sales to our largest customer in each year during the Track Record Period were RMB58.1 million in 2023, RMB125.4 million in 2024, and RMB64.0 million in 2025, respectively, accounting for 24.0%, 31.7% and 14.4% of our total revenue for 2023, 2024 and 2025, respectively. Our dependence on these customers exposes us to risks beyond our control, including their financial stability, changes in demand for our products, or shifts in their business strategies. If any of these key customers reduce their orders, delay payments, or terminate their business relationship with us, it could lead to a material decline in our revenue and profitability. Furthermore, replacing lost sales from these customers may not be feasible in the short term, as identifying and securing new customers often involves lengthy processes and additional costs. We cannot guarantee that we will maintain stable or long-term relationships with these customers, nor can we assure you that they will continue to purchase our products and solutions at

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the same level or on commercially favourable terms. Any significant decline in sales to our key customers could materially and adversely affect our business, results of operations and financial condition.

We do not enter into long-term contracts with major customers. If we are unable to attract new customers and/or retain existing ones, our business, financial condition and results of operation could be adversely affected.

We do not enter into long-term contracts with our major customers. There is no guarantee that our customers will continue to purchase our products or solutions regularly or at all. Moreover, there is no assurance that the enterprise visual AI product industry will continue to attract new customers to support revenue growth, as this depends on various factors, including customer acceptance of enterprise visual AI products, the pace of expansion of new use cases, and evolving customer preferences and demands. If we are unable to attract new customers or retain our existing ones, our business, financial condition, and results of operations could be adversely affected.

Our business may be adversely affected if government-driven installation initiatives are reduced, delayed or discontinued.

During the Track Record Period, a portion of our revenue was generated from large-scale deployments of our safety driving assistance products in Henan and Hebei Provinces in connection with government-driven installation initiatives relating to the installation of onboard active safety monitoring equipment for long-distance passenger vehicles, tourist charter buses, vehicles carrying hazardous goods and special-purpose vehicles. Revenue generated from the aforesaid large-scale deliveries in Henan Province amounted to RMB45.5 million, accounting for 11.5% of our total revenue in 2024, and increased to RMB57.3 million, accounting for 12.9% of our total revenue in 2025. Revenue generated from the corresponding large-scale deliveries in Hebei Province amounted to RMB53.1 million, accounting for 12.0% of our total revenue in 2025. These initiatives contributed to our revenue during the Track Record Period. On an aggregate basis, revenue generated from the large-scale deliveries in Henan and Hebei Provinces amounted to RMB45.5 million in 2024, accounting for 11.5% of our total revenue in 2024, and RMB110.4 million in 2025, accounting for 24.9% of our total revenue in 2025.

There can be no assurance that similar government-driven initiatives will continue, be renewed or be introduced in other regions in the future. Government policies, priorities and implementation measures may change, and the timing, scope and scale of such initiatives are subject to factors beyond our control, including regulatory adjustments, fiscal budgets and broader economic and industry conditions. If such initiatives are scaled back, delayed or discontinued, or if we are unable to secure participation in comparable initiatives in other regions, demand for our safety driving assistance products may decrease and our revenue may be adversely affected. Accordingly, our business, financial condition and results of operations could be materially and adversely affected.

We may face supply chain risks due to reliance on a limited number of suppliers for certain hardware or components and contract manufacturers for certain hardware products.

Our business depends on a limited number of suppliers for certain hardware or components and contract manufacturers to produce our hardware products. These suppliers and contract manufacturers play a key role in supporting our production processes and ensuring the timely delivery of our products. During the Track Record Period, purchases from our top five suppliers in each year amounted to RMB40.2 million in 2023, RMB147.6 million in 2024, and RMB185.0 million in 2025, representing 43.3%, 68.7% and 73.7% of our total cost of sales for 2023, 2024 and 2025, respectively. Purchases from our largest supplier in each year during the Track Record Period were RMB13.9 million in 2023, RMB49.4 million in 2024, and RMB45.2 million in 2025, representing 15.0%, 23.0% and 18.0% of our total cost of sales for 2023, 2024 and 2025, respectively. Our contract manufacturers are generally responsible for sourcing materials, maintaining production quality, and delivering finished goods according to our specifications. If any of these suppliers or manufacturers experience operational disruptions, financial instability, capacity constraints, or quality issues, it could lead to delays in production, interruptions in our supply chain, or increased

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costs. The process of identifying, qualifying, and transitioning to alternative suppliers or contract manufacturers can be lengthy, costly, and, in some cases, infeasible on commercially reasonable terms. If any of our key suppliers or contract manufacturers fail to meet our needs or quality standards, our ability to fulfil customer orders, execute our business strategies, and maintain our competitive position could be adversely affected.

Increases in costs of the hardware and components used in our products or higher fees charged by contract manufacturers would negatively affect our business, results of operations and financial condition.

Our products rely on various hardware and components sourced from external suppliers, as well as contract manufacturers to produce certain hardware products. Any significant increase in the costs of these hardware and components or higher fees charged by contract manufacturers could adversely affect our profitability. These cost increases may arise from factors such as supply chain disruptions, inflation, raw material shortages, or changes in supplier and manufacturer pricing strategies. Higher fees from contract manufacturers could also result in increased production costs, especially if these manufacturers face rising labour, energy, or material costs themselves. If the costs of hardware and components or contract manufacturing fees rise substantially, competitive pressures and market conditions may limit our ability to pass these increases on to customers. We may be forced to absorb these additional costs, leading to reduced profit margins and negatively affect our results of operations.

Evolving data privacy, cybersecurity, and emerging technology regulations, including those related to AI and facial recognition, may increase compliance costs and operational complexity.

We may process certain data of our customers and their end users in the course of our operations. The growing volume and complexity of data privacy, cybersecurity, and technology-related regulations have resulted in increased operational and compliance requirements. These include requirements relating to data governance, access control, notification procedures, and third-party data handling arrangements. Meeting these requirements may require ongoing enhancements to our systems, processes, documentation, training, and audit mechanisms. As a result, we may incur higher compliance costs, increased capital expenditures, and additional resource commitments. In connection with our limited involvement in personal information processing as an entrusted party, our legal obligations are defined under applicable PRC laws and regulations, including the Personal Information Protection Law and the Civil Code. As an entrusted party, we are obliged to process personal information in accordance with the instructions of the personal information processor and to implement reasonable compliance review and security protection measures. Where such duties are fulfilled, an entrusted party generally does not bear legal liability solely as a result of infringements committed by the personal information processor, nor would it constitute joint infringement. During the Track Record Period and up to the Latest Practicable Date, we have not received any complaints, claims, or other legal assertions alleging liability on our part arising from any infringement of individuals' rights by our enterprise customers. We are subject to various laws and regulations governing the collection, use, access, disclosure and protection of personal information and sensitive business information in China. These include, for example, Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), the Personal Information Protection Law (《個人信息保護法》), the Data Security Law (《數據安全法》), and the Cybersecurity Law (《網絡安全法》). As regulatory expectations continue to evolve, we may be required to implement additional measures or adjust certain business practices, including with respect to data infrastructure, model development, and supplier or customer arrangements, and may require further investment in safeguards, compliance protocols, and monitoring processes. These developments may lead to increased operating expenses, greater cost burdens, higher levels of operational complexity, and may affect our cost structure, product delivery schedules, and resource allocation priorities.

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

We are actively pursuing various strategies to expand our business. For further details, see “Business — Our Strategies” and “Future Plans and Use of Proceeds”. Our expansion strategy includes overseas market development, particularly in Southeast Asia, the Middle East and selected Central Asia markets. However, business expansion comes with inherent risks and challenges. Many of these initiatives are new and evolving, and some may ultimately be unsuccessful. It may take longer than anticipated to develop the necessary technologies and achieve market acceptance for our products and solutions. Moreover, we may lack sufficient experience to execute these new initiatives effectively. In particular, our expansion into the Middle East may be affected by geopolitical tensions, regional conflicts and political uncertainties. Such uncertainties may adversely affect airport operations, procurement activities and the implementation of infrastructure projects in the region, and airport infrastructure upgrades may slow down, which may in turn delay or curtail our expansion plans for our intelligent civil aviation business. There is no guarantee that our expansion initiatives will gain the expected market acceptance or deliver the desired outcomes. We may be unable to maintain or grow our revenue or recover the associated costs. As a result, our business, financial condition, and results of operations could be materially and adversely affected.

Investment in new business strategies, acquisitions and other forms of business integration could disrupt our ongoing operations and present risks not originally contemplated, and we may be unable to realise the anticipated benefits, synergies, cost savings or efficiencies from acquisitions.

We may invest in the future in new business strategies, acquisitions, or other forms of business integration. Endeavours of this nature are inherently uncertain and may involve material risks, including valuation risk, such as overestimating the fair value or growth potential of the target, greater-than-expected liabilities and expenses, inadequate return on capital, and unidentified issues not revealed through due diligence. These initiatives may also divert management attention from existing operations. We may incur significant acquisition, administrative and other costs in connection with such transactions, including those related to integration. These may include legal, regulatory or contractual expenses, post-completion asset impairment charges, and other unanticipated costs. Following the completion of an investment or acquisition, we may allocate substantial resources towards the integration of the acquired business or brand into our operations. The integration process involves execution and operational risks, particularly in aligning systems, cultures, teams and customer relationships, and may be affected by factors beyond our control. There is no assurance that we will realise the anticipated benefits, synergies, cost savings or efficiencies from such transactions. We may also face ongoing challenges in fully integrating any acquired business or partnership into our existing operations, which could impact overall performance.

Global and regional macroeconomic changes, natural disasters, health crises, and social disruptions may negatively impact our business growth and results of operations.

Global economic uncertainties, regulatory changes, and other factors such as fluctuations in interest rates, inflation, unemployment, labour and healthcare costs, access to credit, consumer confidence, and other macroeconomic conditions may pose risks and materially impact demand for our products. Moreover, natural disasters, widespread health epidemics, acts of war, terrorism, or other force majeure events beyond our control, could disrupt our R&D, manufacturing, commercialisation activities, and overall business operations, adversely affecting our business, financial condition, results of operations, and future prospects.

Our insurance coverage may not be adequate to cover all business risks or potential customer claims, which may affect our business, results of operations and financial condition.

We face various risks in connection with our business and may not maintain adequate insurance coverage. As at the Latest Practicable Date, we do not maintain any business interruption insurance or product liability insurance. See “Business — Insurance”. We cannot guarantee that a product liability claim or other litigation will not be brought against us in the future, or that we will

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be able to purchase product liability insurance or other related insurance on acceptable terms. If we incur substantial losses or liabilities due to natural disasters, operational disruptions or material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to cover all loss, and we may not be able to recover insured losses in a timely manner or in full. If we are liable for uninsured losses or losses exceeding policy limits, our business, results of operations and financial condition may be materially and adversely affected.

Our business success depends on our ability to build our brand and reputation, which could be harmed by negative publicity regarding our brand, Directors, employees, or products and solutions, whether warranted or not.

We believe that maintaining and enhancing our brand and reputation is critical to the success of our business. Since we operate in a highly competitive market, our ability to sustain and improve our market position is directly linked to the strength of our brand. The success of our brand promotion depends on the effectiveness of our marketing efforts and the level of word-of-mouth referrals from satisfied customers. While we may need to incur additional expenses to promote our brand, we cannot guarantee that these efforts will succeed or achieve the expected results. In addition, negative publicity about our brand, Directors, employees, or products, whether justified or not, could damage our reputation and adversely affect our business. Some of this negative publicity may result from malicious harassment or unfair competition by third parties, which are beyond our control.

We may incur additional costs in addressing ESG risks, which could materially and adversely affect our financial performance.

To identify, manage and mitigate environmental, social and governance (“ESG”) risks, we may incur additional costs and expenses, which could negatively impact our financial performance. See “Business — Environmental, Social and Governance”. We continuously monitor environmental and climate-related risks that may affect our business, strategy and financial performance over the short, medium and long term. As we execute our expansion plan, including the establishment of our production base, we may be subject to increased environmental requirements and scrutiny. In addition, ESG-related regulatory requirements are becoming increasingly stringent in the jurisdictions where we operate. Enhanced disclosure obligations and evolving expectations from stakeholders may further increase our compliance and reporting costs. This could lead to higher compliance costs, capital expenditure or operational adjustments, particularly in response to applicable environmental regulations and sustainability standards.

We may be involved in legal proceedings in the course of our business, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We may encounter legal proceedings and commercial or contractual disputes as part of our ordinary business operations. Resolving disputes may require us to bear legal costs. Litigation and disputes may also trigger inquiries, investigations, or proceedings by regulatory authorities or government agencies, potentially causing reputational damage, increased operating costs, and a diversion of resources and management’s focus from our core business. Any business disruption caused by judgements, arbitration, or legal proceedings against us, or adverse rulings involving our Directors, senior management, or key employees, could materially and adversely affect our reputation, business, results of operations and financial condition.

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

During the Track Record Period, we did not fully comply with the relevant PRC laws and regulations regarding contributions to the social insurance and housing provident fund for certain employees, resulting in a shortfall of approximately RMB7.9 million, RMB8.1 million and RMB7.4 million for 2023, 2024 and 2025, respectively. As advised by our PRC Legal Adviser, an employer that fails to make social insurance contributions in full and on time, may be ordered by social insurance contributions collection institutions to rectify and pay the required contributions within a

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stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer fails to rectify the failure within the prescribed period, it may be subject to a fine ranging from one to three times the amount overdue, and a late payment fee of up to 0.02% per day. In addition, an employer that fails to make housing provident fund contributions in accordance with applicable PRC laws and regulations may be ordered to rectify. If the employer fails to rectify within the prescribed period, it may be subject to the court's compulsory enforcement.

We had not made provision for the aforesaid shortfalls. We believe that the incidents above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notification from the relevant authorities requiring payment of the shortfalls, nor did we receive any employee complaint; (ii) we will make timely payments of any outstanding amount and overdue charges if required; and (iii) (a) we were not subject to any administrative penalties, and (b) based on interviews with relevant authorities that, supplementary payments or penalties are generally not imposed in practice unless complaints are filed. In addition, pursuant to the Notice of the General Office of the State Taxation Administration on Properly and Orderly Implementing the Collection and Management of Social Insurance Contributions (國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知) and the Notice of the General Office of the State Council on Issuing the Comprehensive Plan for Reducing Social Insurance Contribution Rates (國務院辦公廳關於印發〈降低社會保險費率綜合方案〉的通知), tax enforcement inspections shall be conducted in a standardized manner, no voluntary organization of inspections on overdue contributions from prior years shall be carried out and during the reform of the collection system, no centralized collection of enterprises' historical overdue contributions shall be conducted on a voluntary basis. Based on the foregoing, as advised by our PRC Legal Adviser, the risk we would be required to pay all historical shortfalls or be subject to material administrative penalties is considered remote, provided that there are no material adverse changes in regulatory policies and no complaints are filed. However, we cannot assure you that competent government authorities will not require payment of the outstanding amount or impose late payment fees or fines, and any such additional contributions or penalties could adversely affect our business, results of operations, financial condition and prospects.

We lease office premises in various locations in China. Any non-renewal of leases, significant rent increases, or any disputes or challenges to our leasehold interest may adversely affect our business and financial performance.

As we lease properties in various locations in China primarily for R&D and business operations, our operations are subject to fluctuations in the property rental market. The lease agreements for our office spaces typically range from one to three years. There is no guarantee that our current leases will be renewed on similar or favourable terms, or renewed at all, particularly regarding rent amounts and lease durations. Any significant increase in rent may raise our property rental and related expenses, which could adversely affect our profitability. If we are required to relocate, we may face difficulties in identifying comparable office locations in a timely manner or securing leases on similar terms.

As at the Latest Practicable Date, certain lease agreements had not been filed for registration. Under PRC laws and regulations, both parties to a lease agreement are obligated to register and file the executed lease agreement with the relevant authorities. According to our PRC Legal Adviser, the failure to register or file these agreements does not affect their validity or enforceability. However, relevant government authorities may order us to register the lease agreements within a specified period, and non-compliance could result in fines ranging from RMB1,000 to RMB10,000 per unregistered lease. As at the Latest Practicable Date, we had not been subject to any administrative penalties by the relevant competent authorities.

Should disputes or government actions arise, we may face difficulties in continuing to lease these properties and could be forced to relocate. If any leases are terminated or invalidated, we would need to seek alternative premises and bear the associated relocation costs. There is no assurance that we would be able to secure suitable alternative locations or avoid disruption to our

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operations. Any relocation might result in business interruptions, loss of earnings, and additional costs. We cannot guarantee that we will successfully mitigate the adverse effects of such disruptions, which could materially impact our business, results of operations, and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We may face challenges in obtaining or maintaining adequate intellectual property rights protection for our products, and the scope of such protection may not be adequate to safeguard our innovations.

Our success depends on our ability to protect our proprietary technologies and products from competition through the acquisition, maintenance, and enforcement of our intellectual property rights. We safeguard the proprietary technologies we consider commercially important by, among other actions, filing patent applications in China and other jurisdictions. See “Business — Intellectual Property Rights”. However, the process of patent application can be costly and time-consuming, and we may not always be able to file and pursue all necessary or desirable patent applications within a reasonable timeframe or at a reasonable cost, or at all. Moreover, we may fail to identify patentable aspects of our R&D outputs in a timely manner. Consequently, we may not be able to prevent competitors from developing and commercialising competing products in certain areas.

Patents may be invalidated, and patent applications may be rejected for reasons such as prior deficiencies in the application, or the lack of novelty, inventiveness, or industrial applicability of the underlying invention or technology. Competitors may be able to develop similar or alternative technologies or products that do not infringe on our patents. The grant of a patent does not guarantee its scope, validity or enforceability, and our patents may be subject to challenges in courts or patent offices in China or other jurisdictions. Moreover, the protection afforded by patents is inherently limited by their duration. Any of these circumstances could materially and adversely impact our business, results of operations, financial condition, and competitive position.

Litigation to protect or enforce our intellectual property rights could be costly, time-consuming, and potentially unsuccessful.

Competitors may infringe on our patent rights or misappropriate or otherwise violate our intellectual property rights. To address such infringement or unauthorised use, we may need to engage in litigation to enforce or defend our intellectual property rights, protect our trade secrets, or determine the validity and scope of our intellectual property or that of others. Such proceedings can be costly and time-consuming. Any claims we bring against perceived infringers may lead to counterclaims alleging that we infringe on their intellectual property rights. Certain competitors have greater resources than we do to enforce and defend their intellectual property rights, which may limit our ability to effectively protect our intellectual property rights. An unfavourable outcome in any litigation could jeopardise our patents and any future patents that may be granted from our pending applications. If a third party successfully challenges the validity or enforceability of our patents, we could lose some or all of the protection for our existing or future products.

If third parties allege that we infringe on their intellectual property rights, we may face liabilities, financial penalties, and potential redesigns or disruptions in the sale of affected products.

Some of our competitors have extensive patent portfolios and may allege that the commercial use of our products infringes their patents. As a result, competitors may initiate legal proceedings, claiming we have infringed, misappropriated, or otherwise violated their intellectual property rights. Allegations or claims for indemnification may arise from our operations or the design, development, and distribution of our products. We may also be unaware of intellectual property rights or registrations relevant to our products and solutions or business, giving rise to potential infringement claims. We cannot assure you that our products or operations will not be alleged to have infringed upon third-party intellectual property rights in the future. Determining whether a product infringes on a patent involves complex legal and factual issues, and such determinations are often uncertain. Competitors may also have unpublished patent applications or trademark rights that we have not identified. We cannot guarantee that disputes over intellectual property will not arise or that we will

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prevail in any such litigation. Even unfounded claims may result in significant costs, disrupt operations, and harm our reputation, which could materially and adversely affect our business, results of operations, and financial condition.

Changes in patent law could weaken the overall value of patents, limiting our ability to protect our products effectively.

The scope of patent protection varies across jurisdictions and remains uncertain. Changes in patent laws or their interpretation in China or other jurisdictions may reduce our ability to protect our inventions, obtain, maintain, defend, or enforce our intellectual property rights. Such changes could also diminish the value of our intellectual property or narrow the scope of our patent rights. We cannot guarantee that current or future patent applications will be granted in any jurisdiction, or that the claims of any granted patents will offer adequate protection against competitors. The coverage sought in a patent application may be significantly reduced before the patent is granted, and the scope of a granted patent can be subject to reinterpretation. Even if granted, patents may not prevent competitors or third parties from developing competing products or otherwise provide a competitive advantage. Consequently, the grant, scope, validity, enforceability, and commercial value of our patent rights remain highly uncertain.

Confidentiality arrangements may not adequately protect our proprietary information and trade secrets.

There is no assurance that our employees and third parties such as our customers and suppliers will not breach the confidentiality obligations and intellectual property ownership provisions under our contracts with them. We may not be able to detect such breaches in a timely manner or enforce our rights effectively, and remedies available under applicable law may be insufficient to prevent the unauthorized use or disclosure of our proprietary information. Our trade secrets and other confidential information may also become known to third parties through means beyond our control, including through independent development by others. In such cases, our ability to assert proprietary rights may be limited or unavailable. If we are unable to protect our trade secrets or confidential information, our competitive position may be weakened.

We may be subject to risks relating to trade restrictions, economic sanctions and U.S. export control regulations.

Our operations could be affected by changes in trade policies, export control regulations, sanction regimes or geopolitical developments involving the United States and China. Certain hardware components used in our products, including processing chips and graphic cards, originate from the United States. During the Track Record Period, the cost of these U.S.-origin components accounted for approximately 0.7%, 0.4% and 0.3% of our total cost of sales for 2023, 2024 and 2025, respectively. If such components become subject to new or expanded export restrictions, licensing requirements or other regulatory measures imposed by the U.S. government, we may experience increased procurement costs, longer lead times, or supply chain disruptions. In addition, ongoing trade tensions between the United States and the PRC, including the imposition of tariffs and other trade-related actions, may lead to greater regulatory and supply chain uncertainty. During the Track Record Period, substantially all of our revenue was derived from our businesses in China, with less than 0.1% generated from overseas customers. As our business expands, we may also be exposed to sanctions-related risks to the extent we (or our suppliers, customers or other business partners) are subject to, or become subject to, applicable sanctions laws and regulations, which could restrict or prohibit certain transactions and result in additional compliance costs or potential liabilities. These developments, if materialised, could adversely affect our business operations, cost structure, financial condition or results of operations.

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

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

As advised by the US Legal Adviser, as our AI-related activities are primarily directed toward civilian commercial, airport passenger-processing and transportation safety applications, and are not intended to be used for, sensitive military, intelligence or mass-surveillance end uses. In addition, as we believe that our relevant AI systems are not intended to perform robotic-control functions and are not designed, marketed or intended for general-purpose robotic control, military robotic systems, weapons systems, intelligence applications or other national-security-sensitive robotic applications, our Directors are of the view that the likelihood of our Company being deemed as a covered foreign person is low. Accordingly, as our Company does not appear likely to be characterised as a covered foreign person, the probability that dealings in the H Shares under the Global Offering would constitute prohibited covered transactions under the Outbound Investment Rule is low, and an investment by a U.S. person in our Company would be unlikely to trigger the relevant prohibition requirements. However, there can be no assurance that the Treasury will take the same view as ours. In the event that an investment in the H Shares were to be considered a notifiable covered transaction, the obligation to make any required notification would rest with the relevant U.S. person(s), rather than with our Company.

In addition, the application and implication of the Outbound Investment Rule and any related policies, laws and regulations are complex, which may change and be updated from time to time. These rules may limit our ability to raise capital from the U.S. and other sources. The interpretation and enforcement of these rules are evolving and unclear. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our future strategies, financial performance and growth prospects.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We have experienced significant net losses and operating cash outflows during the Track Record Period and may not achieve or sustain profitability in the near future.

In 2023, we recorded losses of RMB32.6 million, while in 2024, we achieved a profit for the year of RMB8.3 million, and recorded losses of RMB68.1 million in 2025. We may not be able to achieve or sustain profitability in the near future, as we are continuing to expand our business and operations in the rapidly growing enterprise visual AI product market and are making significant investments in R&D. There is no guarantee that we will continue to generate profit or avoid incurring losses in the future.

We believe that our future revenue growth will depend on a variety of factors, including our ability to develop new technologies, enhance the customer experience, establish effective commercialisation strategies, compete successfully, and create new products. Therefore, past revenues and profits should not be relied upon as an indicator of future performance. Our costs and expenses are likely to increase in the future as we continue to expand our operations and invest in

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R&D. Furthermore, as a listed company, we expect to incur significant additional costs and expenses. If we are unable to generate sufficient revenue or manage our expenses effectively, we may incur substantial losses and fail to achieve or maintain profitability.

Our net cash flows used in operating activities amounted to RMB63.6 million in 2023 and RMB125.2 million in 2025. See “Financial Information — Liquidity and Capital Resources — Cash Flows” for further details. We cannot assure you that we will generate positive cash flows from operating activities in the future. Continued net cash outflows from operations may constrain our working capital, adversely affecting our financial position.

Our future liquidity will largely depend on our ability to generate sufficient cash inflows from operating activities and secure external financing, such as issuing securities, obtaining external debt, or other sources. However, such financing may not be available on commercially reasonable terms or at all. If we are unable to obtain adequate funding in a timely manner and on acceptable terms, we may default on our payment obligations and fail to expand our business. As a result, our business, results of operations, and financial condition could be adversely affected.

Our business is subject to seasonality, as acceptance of our products or solutions under intelligent civil aviation and intelligent commerce are mainly concentrated in the second half of the year, especially in the fourth quarter.

Our business is subject to seasonality, as the acceptance of our products and solutions under intelligent civil aviation and intelligent commerce tends to be concentrated in the second half of the year, particularly in the fourth quarter. We generally recognise a significant portion of our revenue in the fourth quarter of our financial year, primarily because many customers are generally inclined to complete their internal projects, procurement cycles, and budget utilisation within the same financial year. As a result, they tend to complete acceptance inspections and related procedures toward the end of the year, which leads to the recognition of revenue during this period. In 2023, 2024 and 2025, our fourth-quarter revenue accounted for 80.6%, 56.0% and 77.9% of our total revenue, respectively. The degree of seasonality varies year to year due to industry conditions and other factors, making it difficult to predict demand levels with precision. If seasonal demand exceeds expectations, we may face insufficient stock or delays in production and delivery, while lower-than-expected demand could result in excess inventory, higher working capital and liquidity requirements, as well as the risk of inventory impairment losses. Our operating and financial results for any interim period may not reflect our overall annual performance, and we expect seasonal fluctuations in revenue, results of operations and financial condition to continue, which could cause volatility and negatively impact the price of our H Shares.

We anticipate incurring substantial R&D expenses and capital expenditures for our business operations and expansion plans, which could negatively impact our short-term cash flow, liquidity, and profitability.

Our R&D expenses amounted to RMB46.6 million in 2023, RMB53.1 million in 2024, and RMB71.9 million in 2025. See “Financial Information — Key Components of Our Consolidated Statements of Profit or Loss and Total Comprehensive Income or Loss — Research and development costs” for further details. Our capital expenditures were RMB0.9 million, RMB2.0 million and RMB1.4 million for 2023, 2024 and 2025, respectively. See “Financial Information — Capital Expenditures and Commitments”. We expect to incur substantial capital expenditures to support our business operations and expansion plans, including the establishment of production base. Such significant investments carry inherent risks, as they may not succeed or deliver the expected benefits, which could have a material impact on our profitability. Even if the anticipated outcomes from these investments are achieved, our short-term cash flow and liquidity may be negatively impacted.

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Failure to obtain or maintain government grants or preferential tax treatments could have a negative impact on our business, results of operations, financial condition, and prospects.

During the Track Record Period, we benefited from government subsidies, which are non-recurring in nature or are subject to periodic review. In 2023, 2024 and 2025, we recognised government subsidies as other income amounting to RMB8.1 million, RMB8.6 million and RMB7.6 million, respectively. In addition, we enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. For example, our Company and Shenzhen Reconova, as high and new technology enterprises, were entitled to a preferential income tax rate of 15% instead of 25% for the duration of such qualifications. See Note 10 to the Accountants' Report in Appendix I to this prospectus for further details.

PRC governmental authorities may decide to reduce or withdraw such grants or preferential tax treatments, or require us to repay part or all of the grants previously received, which could negatively impact our business, results of operations, and financial condition. As these government grants are typically provided on a one-off basis, there is no assurance that we will continue to receive or benefit from them in the future. Furthermore, we may not be able to successfully or timely obtain government grants or preferential tax treatments that might become available to us, and any such failure could adversely affect our business, financial condition, and results of operations.

Our cash conversion cycle is long and customer payment practices may cause fluctuations in our cash flows.

During the Track Record Period, we recorded a relatively lengthy cash conversion cycle. Our cash conversion cycle was approximately 252 days, 150 days and 161 days as of December 31, 2023, 2024 and 2025, respectively. For 2023, 2024 and 2025, our trade receivables turnover days were 200 days, 262 days and 440 days, respectively, while our trade payables turnover days were 122 days, 176 days and 324 days, respectively. Our inventory turnover days were 174 days, 64 days and 45 days for 2023, 2024 and 2025, respectively. The duration of our cash conversion cycle has been influenced by factors including inventory management and the timing of collections from customers. In particular, collections may take longer where our customers are state-owned enterprises or where their end users are state-owned, such as airports for intelligent civil aviation business, as our customers' payment to us depends on their receipt of funds from such end users. Given the length of our cash conversion cycle and uncertainties surrounding the timing of customer payments, our cash inflows may not always align with our payment obligations to suppliers. If we experience delay in payments from our customers and our suppliers require earlier settlement or shorten credit terms, we may face temporary liquidity pressure. Our operations depend on timely collection of trade receivables to meet supplier payments and other working capital needs. Any material mismatch between cash receipts and cash outflows, or any failure to effectively manage fluctuations in our cash flow, could materially and adversely affect our liquidity, financial condition and results of operations.

Liquidity risk arising from cash flow mismatches

Our business operations are subject to cash flow mismatches due to the disparity between our trade receivables collection period and supplier payment period, which may materially and adversely affect our liquidity position and operational capabilities. For 2023, 2024 and 2025, our trade receivables turnover days were 200 days, 262 days and 440 days, respectively, while our trade payables turnover days were 122 days, 176 days and 324 days, respectively. This gap between receivables and payables turnover periods may create working capital pressure on our operations.

The business environment we are involved inherently creates timing mismatches between supplier payments and customer collections. This mismatch is pronounced as we typically make advance payments to our suppliers to maintain strong relationships and secure stable product supply. Consequently, we must commit working capital and utilize facilities to finance our procurement well before receiving payment from customers.

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The extended collection period of our trade receivables may expose us to credit risk and potential impairment losses. We cannot assure you that we will be able to collect all outstanding trade receivables in a timely manner or at all. Any significant delays in customer payments or default could necessitate additional provisions for impairment of trade receivables. These cash flow mismatches and working capital constraints could materially impact our business by increasing our reliance on external financing, leading to higher finance costs, restricting our operational flexibility and ability to expand, and impairing our ability to negotiate favourable terms with suppliers. Any deterioration in our working capital position or failure to effectively manage these cash flow mismatches could materially and adversely affect our liquidity, financial condition, and results of operations.

We are exposed to credit risks related to delays in payment or defaults by customers, which could adversely affect our liquidity and financial condition.

We are subject to credit risk arising from delays in payment and defaults by our customers, or related parties. As at 31 December 2023, 2024 and 2025, our trade and bills receivables amounted to RMB174.5 million, RMB307.2 million and RMB586.6 million respectively. There is a risk that we may be unable to collect all such trade and bills receivables due to factors beyond our control, such as unfavourable operating or financial condition of customers, or customers' inability to pay resulting from delays in payment by their own customers. If our customers delay or default on payments owed to us, we may need to make impairment provisions or write off the relevant receivables, which could negatively impact our liquidity and financial condition.

Failure to recover contract assets or obtain release of retention money may adversely affect our liquidity and financial position.

As at 31 December 2023, 2024 and 2025 we recorded contract assets of RMB1.3 million, RMB4.2 million and RMB9.0 million, respectively. Such contract assets primarily represent the retention money for products sold. We cannot guarantee that our customers will maintain financial solvency, settle payments in a timely manner or release retention money upon the expiry of the applicable warranty periods. Any failure to recover contract assets or receive retention payments in full or on time could have a material adverse effect on our liquidity and financial position.

Failure to fulfil our obligations in respect of contract liabilities may adversely affect our liquidity and financial condition.

Our contract liabilities primarily represent advance payments received from customers prior to the fulfilment of our performance obligations. As at 31 December 2023, 2024 and 2025, we recorded contract liabilities of approximately RMB6.8 million, RMB3.7 million and RMB2.2 million, respectively. See "Financial Information — Discussion of Certain Key Items on Consolidated Statements of Financial Position". There is no assurance that we will be able to fulfil our obligations in respect of these contract liabilities, as the performance of our contractual obligations is subject to various factors, some of which may be beyond our control. If we are unable to meet these obligations, we would not be able to recognise the corresponding revenue, and we may be required to refund the advance payments received from customers. Any such failure may have a material adverse effect on our liquidity position, cash flow and overall financial condition.

We may be subject to inventory obsolescence risk.

Our inventories primarily consisted of raw materials, finished goods, goods in transit, consigned processing materials, contract fulfilment cost, and work in progress. As at 31 December 2023, 2024 and 2025, our inventories amounted to RMB30.2 million, RMB23.9 million and RMB19.3 million, respectively. Our inventory turnover days were 174 days, 64 days and 45 days for 2023, 2024 and 2025, respectively. We rely on demand forecasts to guide the procurement of raw materials and to pace production with our suppliers and contract manufacturers to fulfil our customer orders. However, demand is subject to various factors such as market conditions, new

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product launches, pricing strategies and customer preferences, many of which are beyond our control. As we continue to expand our product offerings, the increasing variety of raw materials required may make it more challenging to manage our inventory efficiently.

We cannot guarantee that our inventory levels, particularly our finished goods, will consistently meet customer demand, nor that all inventory can be sold within a reasonable timeframe. Ineffective inventory management may result in higher storage costs, increased risk of obsolescence, reduced inventory value and significant write-downs. The assessment of net realisable value involves considerable judgement and is subject to market uncertainties. In 2023 and 2025, we recorded inventory write-downs of RMB2.1 million and RMB2.9 million, respectively. Conversely, underestimating demand or delays in supply may lead to product shortages, lost sales and weakened customer relationships, all of which may materially and adversely affect our business, financial condition and results of operations. Inaccurate forecasting may result in either excess or insufficient inventory, either of which could materially and adversely affect our business, results of operations, and financial condition.

Fair value measurements of certain financial assets involve the use of unobservable inputs and estimation uncertainty, which may adversely affect our financial position and results of operations.

Certain financial assets held by us are measured at fair value, including unlisted equity investments and wealth management products. As at 31 December 2023, 2024 and 2025, we recorded financial assets at fair value through profit or loss of RMB0.8 million, RMB1.0 million and RMB1.1 million, respectively. See Notes 18 and 21 to the Accountants' Report in Appendix I to this prospectus. For financial reporting purposes, the fair value of these assets is classified into levels 1, 2 or 3, depending on the extent to which observable market data is available as input for the valuation. While level 1 and level 2 fair value measurements are based on quoted prices or observable inputs, level 3 fair value measurements rely on valuation techniques that incorporate significant unobservable inputs. The use of such inputs inherently involves a degree of estimation uncertainty.

Changes in these unobservable inputs may significantly affect the estimated fair value of our level 3 financial assets, leading to uncertainty in accounting estimates. A variety of factors, many of which are beyond our control, may influence the assumptions used in fair value measurements. These include general economic conditions, fluctuations in market interest rates, and the stability of capital markets. As a result, the fair value of these financial assets may vary significantly from period to period, and the actual outcomes may differ from the estimates used in our financial statements.

We are also exposed to the credit risk of counterparties in relation to financial assets measured at fair value. A material decline in the fair value of these assets may negatively affect our financial position and may result in the recognition of significant fair value losses through profit or loss, which could in turn adversely affect our results of operations.

See "Material Accounting Policies" in Note 2.3 to the Accountants' Report in Appendix I to this prospectus.

We have granted, and may continue to grant, certain awards under our share incentive plans, which may result in increased share-based compensation expenses.

We adopted share incentive plans including share-based compensation for the benefit of our Directors and employees to incentivize and reward the eligible persons who have contributed to our success. In 2023, 2024 and 2025, we incurred share-based payments of RMB4.0 million, nil and RMB5.3 million, respectively. For details, see "History and Corporate Structure — Share Incentive Platforms," "Statutory and General Information — E. Share Incentive Scheme" and Note 30 to the Accountant's Report in Appendix IV to this prospectus. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees. Nevertheless, share-based compensation expenses would potentially dilute the shareholdings of existing shareholders. We may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations.

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We may re-evaluate the vesting schedules, lock-up period, or other key terms applicable to the grants under the share incentive plan from time to time. If we choose to do so, we may experience a substantial change in our share-based compensation expenses in the reporting periods following this offering.

We may face challenges in obtaining additional capital when needed, on favourable terms, or at all.

We may not be able to secure additional capital when needed, on favourable terms, or at all. A significant proportion of our operating expenses is allocated to research and development activities. Our future capital requirements will depend on a variety of factors, including but not limited to, technological advancements, the market acceptance of our products, enhancements, and the overall level of sales, research and development expenditure, our relationships with customers, suppliers and contract manufacturers, our ability to manage costs effectively, sales and marketing expenses, potential acquisitions of businesses, and general economic conditions, including inflation, rising interest rates, and international conflicts and their effects. If our capital requirements differ significantly from current expectations, we may require additional funding sooner than anticipated. There is no assurance that such financing will be available on favourable terms, in a timely manner, or at all. If sufficient funds are not available or cannot be obtained on acceptable terms, we may be unable to continue our operations as planned, develop or improve our products, expand our sales and marketing capabilities, take advantage of future opportunities, or address competitive pressures.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The economic and social conditions in China could affect our business, results of operations, financial condition and prospects.

During the Track Record Period, substantially all of our revenue was derived from our businesses in China. Accordingly, our business, results of operations, financial condition, and prospects are, to a material extent, subject to economic, political and legal developments in China. In particular, factors such as consumer, corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business. The PRC economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. In recent years, the PRC government has implemented measures emphasising the utilisation of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adjusted from time to time across industry or regions. If the business environment in China changes, our business in China may also be affected.

The foreign exchange regulations may limit our business and results of operations and our ability to remit dividends.

Conversion and remittance of foreign currencies are subject to the foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. For example, under the Chinese current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected and could subject us to administrative penalties and fines.

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

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. The proceeds from the Global Offering will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our proceeds from the Global Offering. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. We have not utilised, and may not in the future utilise, any instrument to reduce our foreign currency risk exposure. All of these factors could affect our business, results of operations, financial condition and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

Holders of our H Shares may become subject to income tax on dividends from us or on any gain realised on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. If PRC income tax is imposed on gains realised through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

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

We are a company incorporated under the laws of China, and a substantial majority of our assets are located in China. In addition, most of our Directors and senior management reside within mainland China. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. Pursuant to the Arrangements on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) effective on 29 January 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgement rendered by any designated people's court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgement in the relevant people's court of China or Hong Kong court. China has not entered into a treaty for the reciprocal recognition and enforcement of court judgements with the United States, the United Kingdom, Japan and many other countries. In

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addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgements. Accordingly, judgments obtained in these jurisdictions may be difficult to recognise or enforce in China or Hong Kong in the absence of applicable treaties or reciprocal arrangements.

RISKS RELATING TO THE GLOBAL OFFERING

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

Prior to the Global Offering, there has been no public market for our H Shares. The Offer Price may differ significantly from the market price for our H Shares following the Global Offering. The market price and trading volume of our H Shares may be volatile. Factors affecting the trading volume and market price of our H Shares, include, but are not limited to, actual or anticipated fluctuations in our operating performance, failure to execute our strategies, unexpected business interruptions, changes in our key personnel or senior management, adverse market reaction to future indebtedness or future securities issuances, competitive developments, litigation or regulatory investigations, general market or industry conditions, changes in laws or regulations or their interpretations, the performance of other companies in our industry, expiry of lock-up arrangements, and sales or perceived sales of H Shares by us or other Shareholders. Moreover, capital markets may experience significant fluctuations unrelated to our operating performance. These broad market and industry fluctuations may have a material and adverse effect on the market price and trading volume of our H Shares.

As the Offer Price of our H Shares is higher than the consolidated net tangible book value per share, your investment in the Global Offering may experience immediate dilution.

As the Offer Price of our H Shares is higher than the consolidated net tangible assets per share immediately prior to the Global Offering, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma adjusted consolidated net tangible assets. Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per share of their shares. See Appendix II to this prospectus for details. In addition, holders of our Shares may experience further dilution of their interest if we issue additional shares in the future to raise additional capital.

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

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our H Shares. Our existing shareholders are subject to restrictions on their sales of H Shares within 12 months from the Listing Date. We cannot assure you that our Controlling Shareholders, or other existing shareholders will not dispose of H Shares held by them or that we will not issue H Shares upon the expiration of restrictions set out above.

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

We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See “Financial Information — Dividends” for details.

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We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favourable return. You are entrusting your funds to our management, upon whose judgement you must depend, for the specific uses we will make of the net proceeds from the Global Offering. We will make appropriate announcement and comply with all applicable requirements under the Listing Rules in the event that we change the use of proceeds as disclosed in this prospectus.

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

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

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

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

The industry data and forecasts in this prospectus obtained from various government publications have not been independently verified.

This prospectus includes industry data and forecasts extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official governmental publications and other publicly available publications. We have no reason to believe that such information from official government publications is false or misleading or that any fact has been omitted that would render such information from official government publications false or misleading. However, we cannot assure you of the accuracy or completeness of information from official government publications. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. The information from official government publications has not been independently verified by us or any other parties involved in the Global Offering, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the Global Offering and no representation is given as to its accuracy. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. Accordingly, information from various government publications contained in this prospectus may not be accurate and should not be unduly relied upon in making your investment in our H Shares.

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

Prior to the publication of this prospectus, there has been and there may also be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, our business, our industries and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the Global Offering, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As at the Latest Practicable Date, none of our executive Directors resided in Hong Kong.

Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Our Company's business operations and assets are primarily located outside Hong Kong. Our executive Directors are based in the PRC as our Board believes it is more effective and efficient for our executive Directors to be based in a location where the substantial operations of our Group are located. Our Company therefore does not, and in the near future will not, maintain management presence in Hong Kong.

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

- (i) **Authorised representatives:** we have appointed Mr. Zhan Donghui (詹東暉) (“**Mr. Zhan**”) and Ms. Lai Ho Yan (賴浩恩) as the authorised representatives (the “**Authorised Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. Our Authorised Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorised Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. Our Company will also inform the Stock Exchange promptly in respect of any change in our Authorised Representatives. Each of the authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;
- (ii) **Directors:** to facilitate communication with the Stock Exchange, we have provided our Authorised Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that our Authorised Representatives would have the means to contact all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, they will provide their phone number of the place of their accommodation to our Authorised Representatives. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;
- (iii) **Compliance adviser:** we have appointed Maxa Capital Limited as our Compliance Adviser (the “**Compliance Adviser**”) upon Listing pursuant to Rules 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Pursuant to Note to Rule 3A.23 of the Listing Rules, our Compliance Adviser will have access at all times to our Authorised Representatives, our Directors and the other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Exchange. The contact details of our Compliance Adviser have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in our Compliance Adviser;

- (iv) meetings between the Stock Exchange and our Directors could be arranged through our Authorised Representatives or our Compliance Adviser, or directly with our Directors within a reasonable time frame;
- (v) we will also appoint professional advisers (including legal advisers and accountants) after the Listing, if necessary, to assist us in dealing with any questions or queries raised by our Company and to ensure that there will be efficient communication with the Stock Exchange; and
- (vi) the Compliance Adviser will also advise on the on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing.

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

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

We have appointed Mr. Yu Jinxi (于金喜) (“**Mr. Yu**”) as one of our joint company secretaries. He has a thorough understanding of the operations of the Board and our Company and has gained experience in handling corporate governance and general administrative matters relating to our Company. Although he presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we would like to appoint him as our joint company secretary due to his past experience within our Group and his thorough understanding of the internal administration and business operations of our Group. In addition, we have appointed Ms. Lai as the other joint company secretary to assist Mr. Yu in discharging the duties of a company secretary. Ms. Lai is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lai therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Lai will be assisting Mr. Yu in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Yu will also be assisted by (i) our Compliance Adviser for the first full financial year starting from the Listing Date, particularly in relation to

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal adviser of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Yu will endeavour to attend relevant trainings and familiarise himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange. 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 such that Mr. Yu may be appointed as a joint company secretary of our Company.

Pursuant to the Chapter 3.10 (Directors and Senior Management) of the Guide, the waiver will be for a fixed period of time not exceeding three years (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 can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial three-year period on the condition that Ms. Lai, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Yu in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Lai ceases to provide assistance to Mr. Yu as the joint company secretary for the three-year period after Listing.

Our Company will further ensure that Mr. Yu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Yu and the need for on-going assistance of Ms. Lai will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Yu, having benefited from the assistance of Ms. Lai for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the "relevant experience" within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for further information regarding the qualifications of Mr. Yu and Ms. Lai.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

For details of the structure of the Global Offering, including its conditions, please refer to “Structure of the Global Offering” in this prospectus. For the procedures for applying for our H Shares, please refer to “How to Apply for Hong Kong Offer Shares” in this prospectus.

DIRECTORS’ RESPONSIBILITY STATEMENT

This prospectus, for which our Directors (including any proposed Director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. 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.

FILING PROCEDURES WITH THE CSRC

We filed with the CSRC for the application to list our H Shares on the Stock Exchange and the Global Offering on 2 July 2025. In completing such filing, the CSRC accepts no responsibility for our financial soundness, nor for the accuracy of any of the statements made or opinions expressed in this prospectus. No other filings are required to be completed before the listing of the H Shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,404,400 Offer Shares and the International Offering of initially 26,682,600 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed “Structure of the Global Offering” in this prospectus).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around Monday, 6 July 2026.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorised 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 authorised by our Company, the Joint Sponsors, the Joint Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

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

Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed “Underwriting” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including its conditions) are set out in the sections headed “Structure of the Global Offering” and “Underwriting” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorised 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 authorised by us, the Joint Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as at any date subsequent to the date of this prospectus.

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

RESTRICTIONS ON OFFERS AND SALES OF THE H SHARES

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

No action has been taken to permit a public offering of the H Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes 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 authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering 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 and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering and the Conversion of Domestic Shares into H Shares.

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

All the Offer Shares will be registered on our H Share register of members in order to enable them to be traded on the Stock Exchange. None of our share or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or is expected to be sought in the near future.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing approval and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange must take place in CCASS on the second settlement day following any trading day. All CCASS activities are subject to the General Rules and Operational Procedures of HKSCC in effect from time to time. Investors should consult their stockbroker or professional advisers regarding settlement arrangements and their implications.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares” of this prospectus.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained in the PRC and our H Share register of members will be maintained by our H Share Registrar, Tricor Investor Services Limited, in Hong Kong.

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

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

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 close associates (as such term is defined in the Listing Rules) of any of our Directors or any existing Shareholders or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers regarding the taxation implications of subscribing for, purchasing, holding, disposing of, or dealing in the H Shares, or exercising any rights attached thereto. None of our Company, the Joint Sponsors, the Joint Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, or any of their respective directors, officers or representatives accepts responsibility for any tax effects or liabilities arising from such activities.

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.

EXCHANGE RATE CONVERSION

Unless otherwise stated, this prospectus contains certain exchange rate translations for convenience only, at the following rates: HK\$1.00 to RMB0.8695, US\$1.00 to HK\$7.8357 and US\$1.00 to RMB6.8130. No assurance can be given that any amounts in one currency can be or could have been converted at these or any other rates.

LANGUAGE

In the event of any inconsistency between the English and Chinese versions of this prospectus, the English version shall prevail unless otherwise stated. The English translations of names of PRC or foreign entities, departments, facilities, titles, laws and regulations are provided for identification purposes only, and in the event of any discrepancy, the original names shall prevail.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

COMMENCEMENT OF DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. in Hong Kong on Wednesday, 8 July 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 8 July 2026. The H Shares will be traded in board lots of 200 H Shares each, the stock code of the H Shares will be 7656.

OTHERS

Certain amounts and percentages in this prospectus have been rounded. Accordingly, totals shown in some tables may not be an exact arithmetic aggregation of the preceding figures.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Mr. Zhan Donghui (詹東暉)	3215, Unit 1, Building C Zhigu Apartment Shuguang Community Xili Street Nanshan District, Shenzhen Guangdong Province, the PRC	Chinese
Mr. Han Songguang (韓松光)	18A, Building 6 Haiyue Garden Phase III Nanshan District, Shenzhen Guangdong Province, the PRC	Chinese
<i>Non-executive Directors</i>		
Mr. Chen Gen (陳互)	Room 202, No. 8 Lane 8, Wanping Road Xuhui District Shanghai, the PRC	Chinese
Ms. Li Jia (李佳)	No. 1105, 11/F Block 13, Feng Hui Garden Xicheng District Beijing, the PRC	Chinese
<i>Independent non-executive Directors</i>		
Mr. Sun Xiaobei (孫曉備)	Room 601, No. 7 Lane 89, Hengshui Road Hongkou District Shanghai, the PRC	Chinese
Ms. Gu Wenbo (顧聞博)	Flat G, 6/F Tower 6, Forum Court Fanling Town Centre New Territories, Hong Kong	Chinese
Mr. Tang Ke (唐柯)	Room 1202, No. 34 Lane 333, Zhenda Road Baoshan District Shanghai, the PRC	Chinese

For the biographies and other relevant information of our Directors, see “Directors and Senior Management” of this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors and Joint Sponsor-OCs **Huatai Financial Holdings (Hong Kong) Limited**
62/F, The Center
99 Queen's Road Central, Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

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

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

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

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

CMBC Securities Company Limited
45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

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

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

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

CMBC Securities Company Limited
45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Bookrunners

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

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

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

CMBC Securities Company Limited
45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Huafu International Securities Limited
Units 2603–2606, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East, Hong Kong

Sunfund Securities Limited
Unit 1004, 10/F, Bank of America Tower
12 Harcourt Road, Central
Hong Kong

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

Yuet Sheung International Securities Limited
Unit 2704, 27/F, Shun Tak Centre West Tower
168–200 Connaught Road Central,
Sheung Wan, Hong Kong

Joint Lead Managers

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

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CMBC Securities Company Limited

45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Huafu International Securities Limited

Units 2603–2606, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited

Level 6, Three Pacific Place
1 Queen's Road East, Hong Kong

Sunfund Securities Limited

Unit 1004, 10/F, Bank of America Tower
12 Harcourt Road, Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre, No. 95 Queensway
Admiralty, Hong Kong

Yuet Sheung International Securities Limited

Unit 2704, 27/F, Shun Tak Centre West Tower
168–200 Connaught Road Central,
Sheung Wan, Hong Kong

Capital Market Intermediaries

Huatai Financial Holdings (Hong Kong) Limited

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

CCB International Capital Limited

12/F, CCB Tower
3 Connaught Road Central
Central, Hong Kong

ABCI Capital Limited

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

ABCI Securities Company Limited

10/F, Agricultural Bank of China Tower
50 Connaught Road Central, Hong Kong

CMBC Securities Company Limited

45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Huafu International Securities Limited

Units 2603–2606, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited

Level 6, Three Pacific Place
1 Queen's Road East, Hong Kong

Sunfund Securities Limited

Unit 1004, 10/F, Bank of America Tower
12 Harcourt Road, Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre, No. 95 Queensway
Admiralty, Hong Kong

Yuet Sheung International Securities Limited

Unit 2704, 27/F, Shun Tak Centre West Tower
168–200 Connaught Road Central,
Sheung Wan, Hong Kong

Legal Advisors to the Company

As to Hong Kong law:

King & Wood

13/F, Gloucester Tower, The Landmark
15 Queen's Road Central
Central, Hong Kong

As to PRC law:

King & Wood

28th Floor, China Resources Tower
2666 Keyuan South Road, Nanshan District
Shenzhen, Guangdong, the PRC

As to U.S. law:

Sherman Shi Law Group P.C.

Flushing Commons Offices
3808 Union Street, Suite 3P
Flushing, New York 11354

**Legal Advisors to the Joint Sponsors and
the Underwriters**

As to Hong Kong law:

Jingtian & Gongcheng LLP

Suites 3203–3207
32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central, Hong Kong

As to PRC law:

Sundial Law Firm

11–12/F Taiping Finance Tower
6001 Yitian Road, Futian District
Shenzhen, the PRC

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Auditors and Reporting Accountants	Ernst & Young 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>
Independent Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. Suite 2504 Wheelock Square 1717 Nanjing West Road Shanghai, the PRC
Receiving Banks	China Construction Bank (Asia) Corporation Limited 26th Floor, China Construction Bank Tower 3 Connaught Road Central, Central Hong Kong Bank of China (Hong Kong) Limited 1 Garden Road Hong Kong

CORPORATE INFORMATION

Registered Office	Room 401 No. 37 Expectation Sea Road Software Park Phase 2 Torch Hi-Tech Zone Xiamen, Fujian Province, the PRC
Headquarters and Principal Place of Business in the PRC	Floor 4–5, Block F Nanshan Zhi Gu Industry Park No. 3185 Sha He West Road Xi Li Road, Nanshan District Shenzhen, Guangdong Province, the PRC
Principal Place of Business in Hong Kong	Room 1922, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Company's Website	<u>www.reconova.com</u> <i>(The information contained in this website does not form part of this Prospectus)</i>
Joint Company Secretaries	Mr. Yu Jinxi (于金喜) No. 888, Tianhebei Road Tinahe District Guangzhou, Guangdong Province, the PRC Ms. Lai Ho Yan (賴浩恩) <i>(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> Room 1922, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay, Hong Kong
Authorised Representatives	Mr. Zhan Donghui (詹東暉) 3215, Unit 1, Building C, Zhigu Apartment Shuguang Community Xili Street, Nanshan District, Shenzhen Guangdong Province, the PRC Ms. Lai Ho Yan (賴浩恩) Room 1922, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay, Hong Kong
Audit Committee	Mr. Tang Ke (唐柯) (<i>Chairperson</i>) Ms. Gu Wenbo (顧聞博) Mr. Sun Xiaobei (孫曉備)
Remuneration Committee	Mr. Sun Xiaobei (孫曉備) (<i>Chairperson</i>) Mr. Zhan Donghui (詹東暉) Mr. Tang Ke (唐柯)
Nomination Committee	Mr. Zhan Donghui (詹東暉) (<i>Chairperson</i>) Mr. Sun Xiaobei (孫曉備) Ms. Gu Wenbo (顧聞博)

CORPORATE INFORMATION

Compliance Adviser

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan, Hong Kong

H Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

Principal Banks

Bank of China Xiamen High Technology Park Branch
No. 8, Huo Ju Road
Hu Li District, Xiamen, Fujian Province, the PRC

Agricultural Bank of China Xiamen Technology Park Branch
Heng Sheng Industrial Building
No. 182 Yuehua Road
Hu Li District, Xiamen, the PRC

CMBC Xiamen Software Park Branch
Software Park II
No. 23 Guan Ri Road
Siming District, Xiamen, the PRC

INDUSTRY OVERVIEW

This section and elsewhere in this prospectus contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, Frost & Sullivan. We believe that the sources of the information in this section and elsewhere in this prospectus are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false in any material respect or misleading. The information, statistics and data from official government 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, any of our or their respective directors, officers, employees, advisers or agents or any other party involved in the Global Offering, and no representation is given as to their accuracy.

OVERVIEW OF ENTERPRISE VISUAL AI PRODUCT MARKET IN CHINA

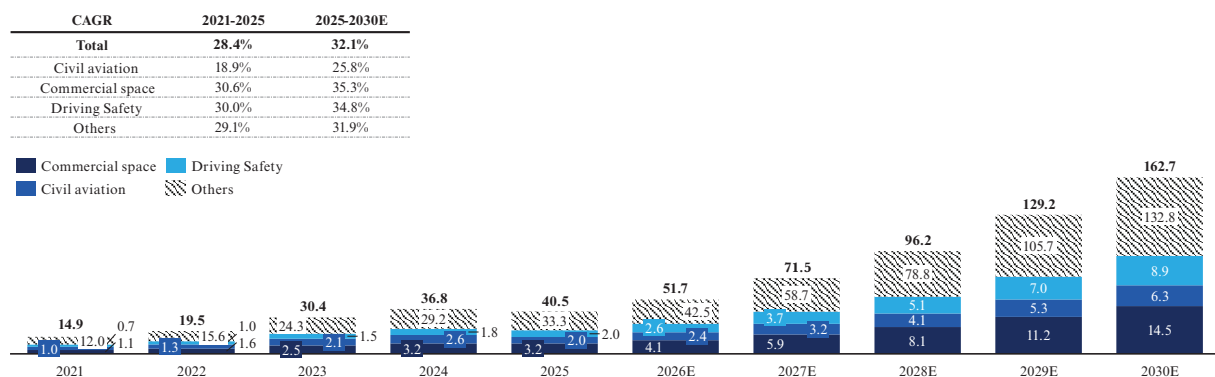
Development of Enterprise Visual AI Product Market in China

AI is a technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity and autonomy. AI solutions refer to an intelligent solution that effectively integrating a variety of AI technologies such as visual technology for practical application scenarios in a specific industry. With digital transformation rapidly undergoing, AI solutions have been widely adopted in enterprises, redefining their existing operation model and realizing incremental business value. The market size of enterprise AI solutions in China has reached RMB120.4 billion in 2025 and is expected to further increase to RMB695.1 billion in 2030.

The enterprise visual AI products refer to comprehensive products that integrate visual AI technology to help enterprises perceive, analyse and respond to visual information, in order to improve automation and operational efficiency across various business scenarios. Based on different usage scenarios, enterprise visual AI products can be categorised as enterprise visual AI products for civil aviation, enterprise visual AI products for commercial space, enterprise visual AI products for driving safety, and among others.

As a segment of the enterprise AI solution market, the market size of enterprise visual AI products in China grew from RMB14.9 billion in 2021 to RMB40.5 billion in 2025 at a CAGR of 28.4% from 2021 to 2025. Driven by rising demand for products to further improve operational efficiency, reduce costs and enhance customer experience, technological advancement, and favourable government policies, it is further expected to grow to RMB162.7 billion in 2030 at a CAGR of 32.1% from 2025 to 2030.

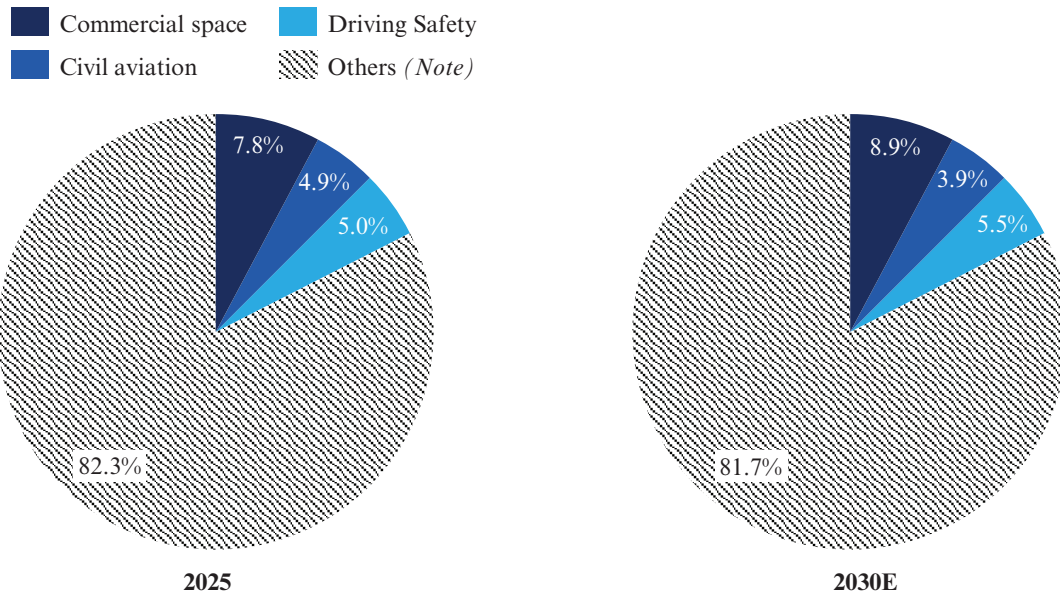
**Market Size of Enterprise Visual AI Products in China, in terms of Revenue
RMB Billion, 2021–2030E**



Source: Frost & Sullivan

INDUSTRY OVERVIEW

**Market proportion of enterprise visual AI products in China
%, 2025, 2030E**

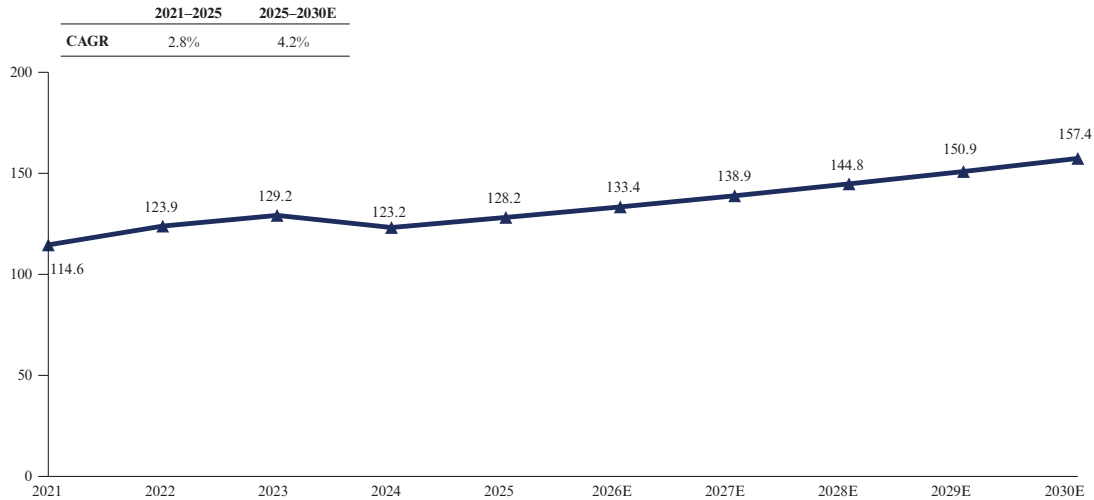


Note: Others include segments such as manufacturing, financial service, healthcare and education

Major cost components for developing enterprise visual AI products or, by extension, the technology service industry, primarily consist of: the salary and benefit expenses paid to employees and expenses on computing resources that train AI algorithms. The average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry increased from RMB114.6 thousand in 2021 to RMB128.2 thousand in 2025, reflecting a CAGR of 2.8% from 2021 to 2025. Although the average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry declined in 2024, recovery began in 2025, and the average annual salary is expected to continue increasing. Based on the assumptions of China's ongoing social and political stability, steady economic growth, and alignment with historical trends, the major cost components are not expected to experience any material fluctuations that would significantly impact our Group's business.

INDUSTRY OVERVIEW

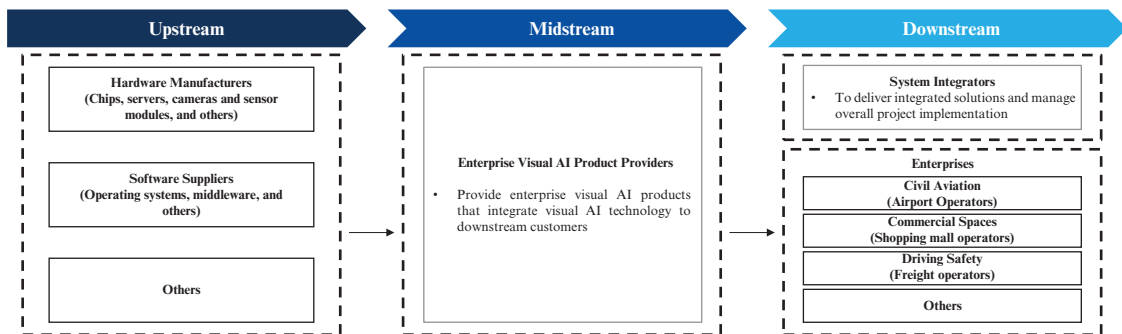
The Average Annual Urban Salary for Employees in Private Companies within China's Information Transmission, Software, and IT Services Industry RMB Thousand, 2021–2030E



Source: Frost & Sullivan

Value Chain of Enterprise Visual AI Product Market in China

The enterprise visual AI product market exhibits a structured value chain spanning upstream, midstream, and downstream segments. The upstream participants consists of various hardware manufacturers, including providers of chips, servers, cameras, sensor modules, as well as software suppliers who supply operating systems and middleware. In the midstream, enterprise visual AI product providers provide enterprise visual AI products that integrate visual AI technology to enterprises from different sectors. Downstream participants include system integrators to deliver integrated solutions and enable project implementation, and enterprises in different scenarios, such as airport operators in civil aviation, shopping mall operators in commercial spaces, freight operators in driving safety and others.



Drivers of Enterprise Visual AI Product Market in China

- Demand for visual AI products that strengthen security, improve operational efficiency, and enhance customer experience.** Visual AI products are being adopted not only in new application scenarios, but also to enhance existing solutions as part of broader intelligent upgrades of existing scenarios. From a security perspective, visual AI products such as smart access control products help enterprises proactively manage potential risks and ensure compliance in various environments, which are adopted in sectors such as civil aviation, commercial spaces, driving safety where security is paramount. In terms of operational efficiency, as enterprises face intense competition and growing demand for improved operational efficiency, enterprise visual AI products have become essential tools

INDUSTRY OVERVIEW

for streamlining workflows and automating tasks at scale, helping enterprises reduce labour costs and enhance operational efficiency. Moreover, the pursuit of enhanced customer experience is further accelerating the adoption of visual AI products. Visual AI products enable personalised services through technologies such as computer vision for important customers, which support enterprises in delivering faster, more tailored, and more seamless experiences, particularly in sectors such as civil aviation, commercial spaces and among others.

- **Technological advancement.** Technological advancements, particularly the development of AI models such as large models, expansive domain-specific datasets, and rising computing power, are pivotal drivers for the enterprise visual AI product market in China. Large models enable enterprise visual AI products to achieve generalised visual-semantic understanding in open scenarios, enhancing their decision-making and task planning capabilities. This allows them to meet increasingly complex and versatile application demands, significantly enhancing their functionality across diverse industries. The availability of vast domain-specific data allows the visual AI product to be tailored to unique enterprise needs, from civil aviation to commercial spaces and among many others. Simultaneously, the increasing affordability and accessibility of computing infrastructure empower enterprises to deploy advanced visual AI products at scale. These technological breakthroughs not only elevate the performance and efficiency of enterprise visual AI products but also lower the barriers to entry for enterprises adopting such products, accelerating market growth.
- **Favourable government policies.** Government policies in China play a crucial role in driving the growth of the enterprise visual AI product market by fostering an environment conducive to AI innovation and adoption. For example, the “New Generation Artificial Intelligence Development Plan” (《新一代人工智能發展規劃》) outlines a strategic roadmap to position China as a global leader in AI by 2030, emphasising advancements in AI technologies and their application across industries. This policy has led to significant government funding and initiatives supporting AI research, talent development, and infrastructure, enabling enterprises to adopt visual AI product at scale. “The National Artificial Intelligence Industry Comprehensive Standardization System Construction Guide (2024 Edition)” (《國家人工智能產業綜合標準化體系建設指南(2024版)》) specifies technical requirements and evaluation methods for image acquisition, image/video processing, and image content analysis, including standards for functionality, performance, and maintainability.

Future Trends of Enterprise Visual AI Product Market in China

- **Enterprise visual AI products will be widely used in various industries.** Enterprise visual AI products are evolving from single-purpose, task-specific tools into more advanced and versatile systems capable of addressing complex, multi-dimensional challenges. These innovations are enabling visual AI products to adapt to a wider range of scenarios across diverse industries. For example, in financial services, visual AI products can automatically identify and verify customer identities, enhancing the security of account opening and transactions. As AI technologies continue to mature and user demand grows, new use cases are expected to emerge, accelerating cross-industry adoption and driving deeper integration into these scenarios.
- **Widespread use of multimodal intelligent products.** Multimodal intelligent products are comprehensible information processing systems capable of analysing data of different types and structures. The application of multimodal intelligent products in various fields such as civil aviation, commercial spaces and others not only provides users with a richer and more intuitive interaction experience, but also pushes forward the intelligent development of AI technology. For example, in civil aviation scenarios, enterprise visual AI products will further integrate other multimodal technologies such as audio

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processing to deliver novel experiences to customers. The ability of multimodal intelligent products to process and synthesise a wide range of information types makes them a valuable tool in complex application scenarios.

- ***Progress on the development of visual AI agents.*** The development of visual AI agents is one of the most important technological evolutions in the enterprise visual AI product market in China. With ongoing advancements in the integration of capabilities on perception, decision-making, and execution, these products are transitioning from merely “seeing” to truly “understanding and responding” autonomously, which marks a significant shift from static recognition to dynamic interaction. Enterprise visual AI products are no longer just perception tools, but are evolving into AI agents capable of interaction, comprehension, and task execution, driving the intelligent transformation across a wide range of industries.

OVERVIEW OF ENTERPRISE VISUAL AI PRODUCT MARKET FOR CIVIL AVIATION IN CHINA

Development of Enterprise Visual AI Product Market for Civil Aviation in China

Enterprise visual AI products for the civil aviation market in China refer to products that leverage visual AI technologies to enhance operational efficiency, safety, and passenger experience in civil aviation. Key applications include self-check-in kiosks that incorporate technologies such as multimodal recognition, behaviour analysis, and decision-making, smart security screening systems, real-time passenger inquiry service equipment, and autonomous baggage tracking and sorting solutions. These products play a crucial role in driving the digital and intelligent transformation of China’s civil aviation sector, supporting goals such as unmanned operation, seamless passenger processing, and intelligent airport management.

The value of visual AI products for civil aviation can be brought to enterprises by enhancing security risk prevention and control capabilities, enhancing operational efficiency and cost reduction, and improving passenger experience and satisfaction:

- ***Enhance security risk prevention and control capabilities.*** Visual AI products for civil aviation are adopted to enhance the security of processes such as personnel access and security checks. Examples include precise identity verification, intelligent accessing and boarding headcounts, and unauthorized access prevention, thereby enhancing overall security management standards.
- ***Enhance operational efficiency and reduce costs.*** Visual AI products for civil aviation are adopted to realise intelligent passenger handling processes and self-service access. For example, these products use intelligent equipment powered by visual AI technology such as self-service check-in and self-service security check to reduce manual intervention and improve processing speed; provide boarding options to meet the needs of various groups of people, such as those with infants, the disabled, and transit passengers; provide both mobile and stationary equipment to respond to passengers’ queries, and so on. These measures will significantly improve operational efficiency and reduce labour costs, thereby achieving reasonable cost control.
- ***Improve passenger experience and satisfaction.*** Visual AI products for civil aviation are adopted to achieve intelligent, personalised and convenient services. For example, these products provide timely response to passenger needs; provide personalised and customised service; use self-service equipment to reduce waiting time of passengers and improve service efficiency. These measures will significantly improve passenger satisfaction and enhance the market competitiveness of enterprises in the civil aviation market.

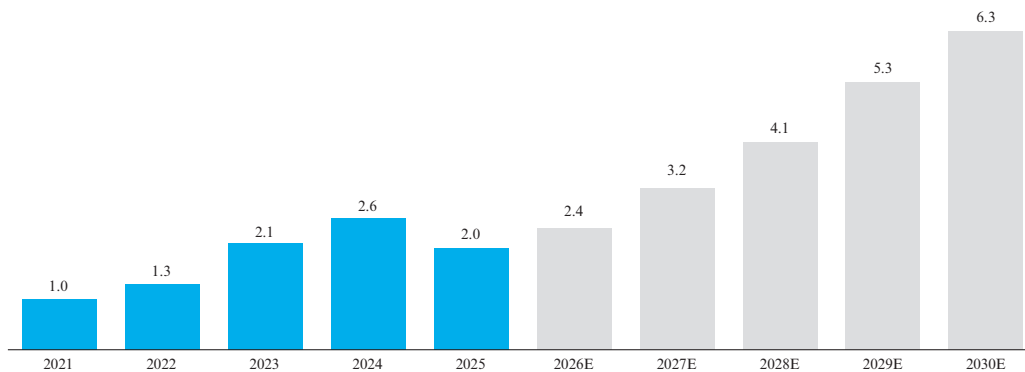
The number of civil airports in China has grown from 248 in 2021 to 270 in 2025. The average size of these airports has also expanded with annual passenger throughput rising from 3.7 million in 2021 to 5.7 million in 2025. Particularly, 41 airports recorded annual passenger throughput exceeding 10 million in 2025, increasing from 29 airports in 2021. These large-scale airports collectively handled 83.7% of the total passenger volume of domestic transport airports,

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underscoring the increasing concentration of air traffic in major hubs and the rising importance of aviation networks. The market size of visual AI products for civil aviation in China grew from RMB1.0 billion in 2021 to RMB2.0 billion in 2025 at a CAGR of 18.9% from 2021 to 2025. Driven by continuous innovation and development of technology, digital transformation and high-quality development in the civil aviation industry, and favourable policies, it is further expected to grow to RMB6.3 billion in 2030 at a CAGR of 25.8% from 2025 to 2030. The market size of overseas visual AI products for civil aviation grew from USD1.3 billion in 2021 to USD3.4 billion in 2025 at a CAGR of 27.2% from 2021 to 2025, and is expected to grow to USD12.0 billion in 2030 with a CAGR of 28.7% from 2025 to 2030.

Market Size of Enterprise Visual AI Product Market for Civil Aviation in China, in terms of Revenue RMB Billion, 2021–2030E

CAGR	2021–2025	2025–2030E
Total	18.9%	25.8%



Source: Frost & Sullivan

Drivers of Enterprise Visual AI Product Market for Civil Aviation in China

- **Continuous innovation and development of technology.** Continuous innovation and development of technology deepens the application of visual AI products in civil aviation scenarios, promotes the in-depth integration of visual AI products and civil aviation business, and enables technology to better adapt to and meet the actual needs of the civil aviation scenario. With the refinement of visual AI technology, visual AI products for civil aviation will continue to achieve significant improvement in multiple dimensions such as algorithm accuracy, technical security, response speed, and user experience. Continuous technological advancement and innovation have brought more possibilities and opportunities to the enterprise visual AI product market for civil aviation, driving the rapid development of the market.
- **Digital transformation and high-quality development in the civil aviation industry.** With the rapid development of the civil aviation industry and the continuous pursuit of high-quality travel experience by passengers, enterprises in the civil aviation industry have an urgent demand for digital transformation, intelligent automation, and high-quality development. Enterprise visual AI products for civil aviation can provide services such as self-service security screening, self-service passage, real-time information kiosks, and baggage assistance services by adopting multimodal authentication, behavioural recognition and other perception technologies in combination with civil aviation business scenarios, which not only can significantly improve the operational efficiency of airports and the travel experience of passengers, but also promote the overall

high-quality development of the civil aviation industry. The demand of enterprises in the civil aviation industry for digital transformation, intelligent automation, and high-quality development has brought broad development space for the enterprise visual AI product market for civil aviation.

- **Favourable policies.** In recent years, the Chinese government has issued several favourable policies for the enterprise visual AI product market for civil aviation, which not only provide a favourable industry environment with supportive policies for the sustainable development of the market, but also stimulates the innovation vitality of market players. For example, the “Guidelines on Implementing the Overall Plan for the Building of a Digital China and Accelerating the Building of a Smart Civil Aviation Industry” (《落實數字中國建設總體部署加快推動智慧民航建設發展的指導意見》) issued by the Civil Aviation Administration of China in 2023 stated that the digitalisation of intelligent civil aviation construction should be comprehensively promoted and empowered. The “Implementation Opinions on AI + Transportation” (《關於「人工智能+交通運輸」的實施意見》) emphasize accelerating the application of AI technologies to empower civil aviation scenarios. For example, around the intelligent driving scenario for trucks on major corridors, promote the implementation of technological testing and innovation. In addition, the Civil Aviation Administration of China’s “Implementation Opinions on Promoting High-Quality Development of AI+ Civil Aviation” (《關於推動「人工智能+民航」高質量發展的實施意見》) in 2025 proposes accelerating the deep integration and innovation of AI across civil aviation sectors. For instance, in passenger convenience scenarios, this includes advancing intelligent airport guidance and transfers, enabling rapid identity verification and access at critical service points, delivering personalized route guidance and transit services, and exploring AI applications for assisting special-needs passengers with navigation and communication support to enhance travel convenience, which is the service provided by Enterprise visual AI products for civil aviation. Enterprise visual AI products for civil aviation can empower digital transformation across multiple application scenarios within the civil aviation, where their adoption and utilization will continue to expand.

Future Trends of Enterprise Visual AI Product Market for Civil Aviation in China

- **Enriched product matrix.** The application of visual AI technology in civil aviation has become more and more extensive, and new products have been emerging from basic security monitoring to high-end passenger services, operation optimization and other aspects, bringing new sales growth opportunities to the enterprise visual AI product market for civil aviation. For example, AI agents with interaction, understanding and task execution capabilities are gradually being adopted in airports. In the future, more and more visual AI product providers for civil aviation will continue to develop and innovate, enrich their product lines, and form richer and more diversified visual AI products for civil aviation with higher business value, to better meet diversified market demands and realise sustained business growth.
- **Accelerating market exploration.** With the acceleration of the globalisation process, more and more Chinese visual AI product providers for civil aviation have started to actively seek expansion opportunities in overseas markets. On the one hand, by participating in the cooperation of international projects, visual AI product providers for civil aviation can learn from the international advanced experience and technology, and improve their own R&D capability and service level. On the other hand, by promoting mature visual AI products for civil aviation to overseas markets, it can bring new revenue growth for enterprises. Developing countries and regions, in particular, are experiencing rising demand for efficient and safe visual AI products for civil aviation, which provides a broad market space for our domestic providers. Overseas business expansion is expected not only to help enhance the competitiveness of local visual AI product providers for civil aviation in the international market, but also further promote the globalisation of China’s enterprise visual AI product market for civil aviation.

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- Cooperation with ecosystem partners.** By deepening partnerships with ecosystem companies, visual AI product providers will be able to better understand market needs and respond quickly to market changes, enabling enterprises to develop more customised products to meet the actual needs of customers enabling them to complete the entire self-service journey, from check-in and baggage drop-off to boarding simply through visual AI technology. In these scenarios at civil aviation airports, visual AI products can provide people with high-quality and convenient services, attracting more individuals to use related visual AI products. Therefore, in the future, visual AI product providers are expected to deepen their cooperation with ecosystem partners while accumulating more expertise in civil aviation scenarios to provide solutions that can bring higher value to the civil aviation industry.

Competitive Landscape of Enterprise Visual AI Product Market for Civil Aviation in China

The Company ranked first in enterprise visual AI product market for civil aviation in China, in terms of revenue in 2025, with a market share of 8.7%.

Ranking of Top Providers in Enterprise Visual AI Product Market for Civil Aviation in China			
Ranking	Company	Revenue (RMB Million, 2025)	Market Share (% , 2025)
1	The Company	172	8.7%
2	Company A	50	2.5%
3	Company B	40	2.0%
4	Company C	30	1.5%
5	Company D	20	1.0%

Notes:

- Company A, founded in 2017 in Beijing, is a private company that provides diversified visual AI products across scenarios such as civil aviation, commercial spaces, financial institutions, scenic parks, and high-speed railways. It has expanded its operations in both China and the United States, with offices in Beijing, Shanghai, Guangzhou, Silicon Valley, and Seattle, as part of its global growth strategy. It has a registered capital of over RMB50 million and less than 500 employees as of the end of 2025 in China.
- Company B, originally founded in 2012 in Germany, is a private company, which primarily provides visual AI products in various access control application scenarios such as civil aviation, industrial parts, stadiums and others. It has a registered capital of approximately RMB50 million and less than 50 employees as of end of 2025 in China.
- Company C, founded in 2015 in Guangzhou, is a public company listed on Shanghai Stock Exchange, which primarily provides visual AI products in various sectors including civil aviation, commercial spaces, financial institutions, energy, manufacturing and others. It has a registered capital of over RMB1 billion and less than 500 employees as of end of 2025 in China.
- Company D, founded originally in 1764 in Sweden, which primarily provides visual AI products in various application scenarios such as civil aviation, commercial spaces, high-speed railways and others. It has operation in approximately 30 countries and regions across Europe, Asia, the Middle East and others. It has a registered capital of approximately USD8 million and less than 100 employees as of end of 2025 in China.

Source: Frost & Sullivan

Key Success Factors of Enterprise Visual AI Product Market for Civil Aviation in China

- Industry know-how.** Based on years of scenario-based experience in the vertical industry, leading visual AI product providers for civil aviation can gain in-depth insights into customers' demands and provide efficient and customised products for their customers. Through data training in many scenarios, leading visual AI product providers for civil aviation can continuously optimise their algorithms and cultivate data analysis and application capabilities specific to different application scenarios in the civil aviation industry. Such in-depth industry understanding and core service capabilities not only meet the customised demands of customers, but also establish high industry know-how barriers, making it difficult for new entrants to reach the same level of expertise in a short period of time.

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- **Industry best practices.** In China's civil aviation industry, benchmark cases and industry best practices act as important criteria for measuring the capabilities of visual AI product providers for civil aviation, encompassing the capabilities in high security, high operational efficiency and high customer service quality. Leading visual AI product providers for civil aviation have successfully implemented a series of exemplary projects and set up industry benchmarks through in-depth cooperation with industry top customers. These benchmark cases not only enhance the market competitiveness of visual AI product providers for civil aviation, but also provide valuable experience and reference for new projects, forming an industry best practice barrier that makes it difficult for new entrants to quickly accumulate the same level of successful cases.
- **Technical capability.** Strong technical capability is a key success factor in the visual AI product market for civil aviation. Leading providers must possess independently developed and continuously evolving visual AI technology enabling the effective transformation of technologies into reliable and advanced products. Additionally, sustained investment in R&D, along with experienced technical teams and robust talent development systems, is critical to building long-term technological barriers and maintaining product innovation and performance in civil aviation scenarios.
- **Product capability.** Leading visual AI product providers for civil aviation focus not only on the technological innovation and performance optimization of their products, but also on their ease of use, stability and maintainability. Through in-depth understanding of customer needs, these providers can develop high-quality products that meet the characteristics of the civil aviation industry and satisfy customer needs. At the same time, leading providers also focus on iterative product upgrades and after-sales service to ensure that their products continue to meet customer needs and enhance customer satisfaction.
- **Brand recognition.** Leading visual AI product providers for civil aviation have accumulated a good market reputation and brand image through long-term and stable high-quality services. When choosing partners, customers often prefer to trust brands with successful cases, high industry influence, and high service quality. Such brand effect not only helps visual AI product providers for civil aviation to attract new customers, but also enhances the loyalty of existing customers and forms brand barriers, making it difficult for new entrants to quickly establish market trust.

Embodied Intelligence Products Are Expected to Accelerate the Automation of Airport Ground Operations

The increasing passenger throughput at airports, rising labour costs and growing demand for operational efficiency are accelerating the adoption of automation technologies across airport ground operations. Among various airport workflows, baggage handling remains one of the most labour-intensive, operationally critical and safety-sensitive processes. As a result, embodied intelligence products that integrate advanced technologies such as computer vision, autonomous navigation, multimodal sensing and robotic manipulation are expected to play an increasingly important role in airport baggage handling scenarios.

Embodied intelligence products for baggage handling in the airports are capable of automating key tasks throughout the baggage handling process, including baggage identification, transportation, loading, unloading and stacking. Compared with traditional manual operations, embodied intelligence products can help improve operational efficiency, reduce labour dependency, enhance workplace safety in dynamic and complex airport environments. As airports continue to emphasize in smart airport infrastructure and digital transformation initiatives, the adoption of embodied intelligence products is expected to accelerate. According to Frost & Sullivan, the total addressable market for embodied intelligence products in airport scenarios is expected to reach approximately RMB30.0 billion by 2030, creating substantial long-term growth opportunities for market participants.

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OVERVIEW OF ENTERPRISE VISUAL AI PRODUCT MARKET FOR COMMERCIAL SPACE IN CHINA

Development of Enterprise Visual AI Product Market for Commercial Space in China

The enterprise visual AI product market for commercial spaces in China refers to product market that leverages visual AI technology to optimise the management and operational efficiency of commercial spaces. Enterprise visual AI products for commercial space leverage visual AI technology to streamline property management processes, monitor and analyse foot traffic, and enable data-driven decision-making. Beyond operational improvements, enterprise visual AI products for commercial spaces also play a critical role in enhancing customer engagement and experience by enabling precision marketing, integrating membership programmes, and facilitating seamless interactions between space operators, tenants, and shoppers. Ultimately, these innovations contribute to increased sales revenue within commercial spaces by driving customer loyalty, improving tenant satisfaction, and maximising space utilisation.

The market size of enterprise visual AI product for commercial space in China grew from RMB1.1 billion in 2021 to RMB3.2 billion in 2025 at a CAGR of 30.6%. Driven by the development of China's commercial market, technological advancements, and customers' increased demand for intelligent products, it is further expected to grow to RMB14.5 billion in 2030 at a CAGR of 35.3%.

Drivers of Enterprise Visual AI Product Market for Commercial Spaces in China

- ***Development of China's commercial market.*** The development of China's commercial market is one of the major drivers of the enterprise visual AI product market for commercial spaces in China. The total retail sales of consumer goods in China grew from RMB44.1 trillion in 2021 to RMB50.1 trillion in 2025 at a CAGR of 3.3%. China's commercial market development makes consumers look for high-quality services and experiences in commercial spaces. Enterprise visual AI products for commercial spaces can provide services such as merchant navigation, brand marketing for consumers in the commercial spaces, which meets the growing demand of today's consumers for high-quality commercial space services.
- ***Merchant's increasing demand for intelligent products.*** Enterprises' growing demand for enterprise visual AI products for commercial spaces is driving the market in China. These products enable enterprises to analyse customer segment data, consumption habits, and preferences. With these insights, enterprises can develop and refine marketing strategies to target the right customers more effectively, ultimately boosting sales and enhancing customer satisfaction. As businesses seek ways to compete and grow, this increasing demand is fuelling the expansion of the enterprise visual AI product market for commercial spaces in China.
- ***Goal to boost consumer spending.*** In recent years, stimulating consumer spending has emerged as a key priority for both local governments and commercial spaces. Enterprise visual AI solutions are viewed as effective tools to support this objective. By enabling precision marketing and integrating membership programmes, these solutions can recommend tailored offerings to customers at the right moment. When combined with incentives such as targeted coupon distribution, they further encourage purchases and ultimately drive consumption within commercial spaces.

Future Trends of Enterprise Visual AI Product Market for Commercial Spaces in China

- ***More efficient private domain marketing.*** In the future, enterprise visual AI products for commercial spaces in China will place greater emphasis on enhancing private domain marketing to attract and retain target customers. Visual AI products will analyse customer behaviour, predict preferences, and assist enterprises in developing effective marketing strategies to convert casual visitors into loyal customers. With smarter data insights and automated execution, businesses will be able to improve engagement, boost

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conversion rates, and drive higher sales, making private domain marketing a more efficient and powerful driver in China’s enterprise visual AI product market for commercial space development.

- **Increased personalized services.** In the future, China’s enterprise visual AI product market for commercial spaces will increasingly focus on offering more personalised services. Enterprises will leverage advanced data analytics to accurately predict customer needs in real-time, enabling the delivery of highly personalised experiences through virtual assistants, and tailored marketing strategies using visual AI products. Enterprise visual AI products for commercial spaces can provide personalized services tailored to different customers by analyzing relevant data. These personalised services will enhance the customer shopping experience while helping enterprises improve customer conversion rates, driving enhanced market performance, as the shift towards personalisation is a key trend that will define the future of China’s enterprise visual AI product market for commercial spaces.
- **Integration of cutting-edge technologies.** China’s enterprise visual AI product market for commercial spaces is rapidly advancing toward a middle-platform architecture. Providers are increasingly integrating their capabilities into unified visual AI platforms that deliver multi-level insights, ranging from basic image recognition to visual semantic understanding, and from customer flow analysis to customer profiling and shopping habit analysis. These middle-platforms consolidate multi-source data and enable centralised management, thereby improving operational efficiency and real-time responsiveness in commercial environments. By serving as a foundation for intelligent upgrades, the middle-platform model is accelerating the development of smarter, more efficient, and experience-driven commercial spaces.

Competitive Landscape of Enterprise Visual AI Product Market for Commercial Spaces in China

The Company ranked the fourth in enterprise visual AI product market for commercial spaces in China, in terms of revenue in 2025, with a market share of 1.7%.

Ranking of Top Providers in Enterprise Vision Intelligent Product Market for Commercial Space in China			
Ranking	Company	Revenue (RMB Million, 2025)	Market Share (% , 2025)
1	Company E	230	7.3%
2	Company A	180	5.7%
3	Company F	64	2.0%
4	The Company	53	1.7%
5	Company G	50	1.6%

Notes:

- 1) Company E, founded in 2004 in Shanghai, is a public company listed on Shenzhen Stock Exchange, which primarily provides visual AI products in commercial spaces and public institutions. It is primarily operated in China with services expanded in nearly 500 cities. It has a registered capital of over RMB120 million and approximately 500 employees in China as of end of 2025.
- 2) Company F, founded in 2009 in Guangzhou, is a private company, which primarily empowers the digital transformation in commercial spaces. It is primarily operated in China with offices established in Beijing, Shanghai, Shenzhen and others. It has a registered capital of approximately RMB30 million and less than 100 employees in China as of end of 2025.
- 3) Company G, founded in 2014 in Shanghai, is a private company which has empowered the digital transformation in over 200 commercial spaces. It has a registered capital of approximately RMB6 million and more than 100 employees in China with more than 80% of employees are engaged in R&D and implementation as of end of 2025.

Source: Frost & Sullivan

OVERVIEW OF ENTERPRISE VISUAL AI PRODUCT MARKET FOR DRIVING SAFETY IN CHINA

Development of Enterprise Visual AI Product Market for Driving Safety in China

The enterprise visual AI product market for driving safety in China refers to the provision of solutions that integrate visual AI technology to enhance efficiency and automation in driving safety. By automating driving safety assistance and providing proactive alerts, enterprise visual AI products for driving safety can help reduce accidents, enhance driver performance, and ensure the safe and efficient transportation of freight. The enterprise visual AI product market for driving safety plays a critical role in modernising freight operations, making them safer, more reliable, and better equipped to meet the demands of today's driving safety environment. The market size of enterprise visual AI product market for driving safety in China has reached RMB2.0 billion in 2025 and is expected to further increase to RMB8.9 billion in 2030.

Drivers of Enterprise Visual AI Product Market for Driving Safety in China

- **Traffic accidents caused by human errors.** Traffic accidents are a significant driving factor for the enterprise visual AI product market for driving safety in China. In China, traffic accidents result in a high number of fatalities and substantial property losses each year, drawing ongoing attention from both the public and government. Over 90% of traffic accidents involving casualties are attributable to human factors, with driver-related causes accounting for more than 70% of these incidents. Human error is the primary cause of these accidents, and enterprise visual AI product can play a crucial role in reducing accidents through early warning systems and other safety features.
- **Development of the driving safety market.** The growth of driving safety serves as a fundamental driver for the growth of enterprise visual AI product market for driving safety. It creates a fertile ground for the deployment of visual AI products such as in-vehicle devices equipped with visual AI technology to monitor driver status (including fatigue and distraction) and road environment risks (e.g., road anomalies and blind spot hazards) in real time, helping logistics enterprises reduce the risk of accidents and comply with safety regulations.
- **Favourable policy.** Favourable government policies have been instrumental in driving the growth of the enterprise visual AI product market for driving safety in China. The General Office of the Ministry of Transport issued a notice in 2018 to promote the application of intelligent video monitoring and alarm technology. The notice called for the installation of intelligent video monitoring and alarm devices in existing heavy-duty trucks, and for new trucks to be equipped with such devices upfront, enabling the automatic identification of unsafe driving behaviours and real-time alerts. These intelligent video monitoring and alarm systems are crucial components of enterprise visual AI products for driving safety. The Implementation Opinions on "Artificial Intelligence + Transportation" outlines the use of AI technologies to drive high-quality development and high-level safety in transportation. Favourable policies are accelerating the development of the enterprise visual AI product market for driving safety in China.

Future Trends of Enterprise Visual AI Product Market for Driving Safety in China

- **Increased intelligence and accuracy.** The enterprise visual AI product market for driving safety in China is increasingly shifting toward greater intelligence and accuracy, driven primarily by rapid advancements in camera technology and the deeper integration of visual AI technology. With the widespread adoption of high-definition, ultra-high-definition, and even 4K cameras, enterprise visual AI products for driving safety can now capture more detailed and precise images, and these highly detailed and precise images also enable the refinement of AI algorithms, which provides a strong foundation for effective anomaly detection and identification. The continuous evolution

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of visual AI technology has significantly enhanced the system’s ability to recognise anomalies in driving safety. These more intelligent and accurate enterprise visual AI products for driving safety contribute to improved safety for drivers, trucks, and cargo.

- **Further integration with IoT technology.** The enterprise visual AI product market for driving safety in China is increasingly evolving toward deeper integration with IoT technology. By incorporating IoT, enterprise visual AI products for driving safety enable comprehensive monitoring and management of various data points, such as truck operation status, cargo security, and driver behaviour. This integration not only enhances the intelligence of the system but also facilitates real-time interaction, enabling remote monitoring, data analysis, and management. Moreover, the enterprise visual AI products for driving safety can perform more real-time analysis based on current road conditions, weather, and vehicle speed, further enhancing safety. As a result, it supports safer driving safety operations through proactive monitoring and early warning capabilities.

Competitive Landscape of Enterprise Visual AI Product Market for Driving Safety in China

The Company ranked the fourth in enterprise visual AI product market for driving safety in China, in terms of revenue in 2025, with a market share of 5.7%.

Ranking of Top Providers in Enterprise Vision Intelligent Product Market for Driving Safety in China			
Ranking	Company	Revenue (RMB Million, 2025)	Market Share (%, 2025)
1	Company H	349	17.2%
2	Company I	128	6.3%
3	Company J	122	6.0%
4	The Company	116	5.7%
5	Company K	100	4.9%

Notes:

- 1) Company H is a public company listed on Shenzhen Stock Exchange, which primarily provides AIoT solutions for commercial vehicles.
- 2) Company I is a public company listed on Shenzhen Stock Exchange, which primarily provides IoT solutions, including vehicle connectivity, smart hardware, IoT modules, and cloud platforms.
- 3) Company J is a private company founded in 2020 in Hangzhou, which primarily provides smart automotive electronics and industry solutions.
- 4) Company K is a private company founded in 2017 in Hangzhou, which primarily provides automotive electronics and software, automotive electronic components.

Source: Frost & Sullivan

SOURCE OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate. Services provided by Frost & Sullivan, which is an independent global consulting firm founded in 1961, include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB900,000 in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful Listing or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the Global Offering. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organisations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesise information in relation to the market, prices and other relevant information. The market projections in the Frost & Sullivan Report are mainly based on the assumption that the social, economic, and political environments in the PRC and globally will remain stable throughout the forecast period. Frost & Sullivan believes that the basic assumptions used in preparing the Frost &

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Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analysed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

Our Directors have confirmed that Frost & Sullivan has 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. Our Directors confirm that, after making reasonable enquiries, there is no material 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.

REGULATORY OVERVIEW

OVERVIEW

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets out a summary of relevant laws and regulations that may have material impact on our business activities.

REGULATIONS ON FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People's Congress of the PRC (the “SCNPC”) on 29 December 1993, last amended on 29 December 2023 and came into effect on 1 July 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign invested companies shall abide by the Company Law of the PRC.

Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) and Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on 1 January 2020, the State Council establishes a foreign investment information report system. Foreign investors or foreign-funded enterprises shall submit investment information to the competent department for commerce concerned through the enterprise registration system and the enterprise credit information publicity system.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 edition) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Catalogue**”), amended on 26 October 2022 and effective since 1 January 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), amended on 6 September 2024 and effective since 1 November 2024, both of which issued by the National Development and Reform Commission (the “**NDRC**”) and the Ministry of Commerce of the PRC (the “**MOFCOM**”). According to the Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

REGULATIONS ON PRODUCT QUALITY

In accordance with the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by SCNPC on 22 February 1993, and most recently amended on 29 December 2018, the seller assumes responsibility for the repair, replacement, or return of the sold product under the following circumstances: (i) the product lacks the essential properties for its intended use without prior clear indication; (ii) the product does not meet the stated standards displayed on the product or its packaging; or (iii) the product does not match the quality as described in the product information or physical sample. In cases where a consumer incurs losses due to the purchased product, the seller is obligated to compensate for these losses. Under the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”), promulgated by the National People's Congress of the PRC on 28 May 2020, and became effective on 1 January 2021, manufacturers and commercial sellers bear liability for physical injury or property loss resulting from product defects. The affected party has the right to seek compensation from either the manufacturer or the commercial seller.

The Regulation on Civil Airport Special Equipment (《民用機場專用設備管理規定》) was promulgated by the PRC Ministry of Transport on 4 April 2016 and last amended on 26 July 2024 and became effective on 1 November 2024. It stipulates that airport equipment must comply with national standards and technical specifications, adhering to the principles of safety, applicability, energy conservation, and environmental protection. Equipment manufacturers must ensure that their products meet these standards and are responsible for the safety performance of the equipment they produce.

REGULATORY OVERVIEW

According to The Civil Aviation Security Inspection Rules (《民用航空安全檢查規則》), which was promulgated by the Ministry of Transport of the PRC on 2 September 2016 and came into effect on 1 January 2017, a civil aviation security inspection equipment used for civil aviation security inspection purposes is required to obtain a “Civil Aviation Security Inspection Equipment Use Permit” (民用航空安全檢查設備使用許可證書) and may only be operated within the scope as specified in such permit.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Regulations relating to Privacy Protection

Pursuant to the Civil Code, personal information of natural persons shall be protected by the law. Any organisation and individual shall lawfully collect, use and process personal information and take appropriate measures to ensure the security of such information.

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”) and became effective on 1 November 2021. The Personal Information Protection Law applies to the processing of personal information within the territory of the PRC. According to Article 3 of the Personal Information Protection Law, it applies to activities involving the processing of personal information of natural persons within the PRC. Personal information processors should also take measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law or the relevant personal information protection obligations thereunder, the competent authorities may order corrections, issue warnings, confiscate illegal gains and impose administrative penalties. Depending on the severity of the violation, such penalties may range from fines of a relatively limited amount to, in serious circumstances, fines of up to RMB 50 million or up to 5% of the preceding year’s turnover, and may also include the suspension or termination of relevant business operations. In addition, fines and other liabilities may be imposed on the directly responsible persons in charge and other directly responsible personnel in accordance with applicable laws.

As our core business focuses on providing visual AI technologies and products to enterprise customers, the Personal Information Protection Law applies to our operations within the PRC. Except in rare cases, we do not access personal information of end users. Any involvement in personal information processing arises on a limited basis where we act as an entrusted data processor on behalf of our customers in accordance with their instructions for operational or maintenance purposes.

To comply with the Personal Information Protection Law and other applicable personal information protection laws and regulations, we have established and implemented personal information protection policies and procedures. These include our Sensitive Biometric Data Management Measures and the Emergency Response Procedures for Data Security Incidents, which enable us to classify and manage personal information securely, determine operation permissions appropriately, and prepare contingency plans for potential data security incidents.

Regulations relating to Internet Information Security

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

REGULATORY OVERVIEW

On 7 November 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”) and become effective as at 1 June 2017, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. The term “network operator” refers to the owner, manager, or service provider of a network. Those who provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties. Our Company provides visual AI technologies and products encompassing visual perception, recognition and cognition, which are applied in civil aviation, commercial and driving safety scenarios. These services are delivered through platforms such as information systems. In the course of providing such services, we are responsible for managing the relevant networks and thus qualify as both a network manager and a network service provider, thereby constituting a “network operator” as defined under the Cybersecurity Law.

As a network operator, we are required to fulfil cybersecurity obligations, including implementing security measures in accordance with the multi-level protection scheme (“**MLPS**”) to prevent our networks from interference, damage or unauthorised access, and to avoid the leakage, theft or tampering of network data. To comply with the requirements of the Cybersecurity Law, we have obtained MLPS filings for our core business systems, developed internal cybersecurity policies such as the “Cybersecurity Management Procedure”, and adopted a series of technical security controls to protect our network operations from multiple dimensions, including perimeter protection, intrusion prevention and internal data leakage prevention.

Pursuant to Articles 2 and 10 of the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), “critical information infrastructure” refers to important network facilities and information systems in key industries and sectors such as public communications and information services, energy, transportation, water resources, finance, public services, e-government and defence technology, as well as other infrastructure that, if damaged, disabled or subject to data leakage, may seriously endanger national security, the national economy, people’s livelihoods or the public interest. The relevant regulatory authorities are responsible for identifying critical information infrastructure and notifying the operators concerned.

As at the Latest Practicable Date, we have not received any notification from the relevant authorities designating us as a “critical information infrastructure operator”. Therefore, we are not currently classified as a critical information infrastructure operator.

On 10 June 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) which became effective on 1 September 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organisations and individuals carrying out data activities and implementing data security protection responsibility.

On 24 September 2024, the State Council announced the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulations**”), which became effective on 1 January 2025. It regulates that Cyber data processors who carry out Cyber data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant state regulations.

REGULATORY OVERVIEW

On 28 December 2021, the Cyberspace Administration of the PRC (中華人民共和國國家互聯網信息辦公室) (the “CAC”) and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cybersecurity Review Measures**”) which became effective on 15 February 2022. The Cybersecurity Review Measures provides that, network platform operators with personal information data of more than one million users that seek listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. We have not applied for cybersecurity review for our listing in Hong Kong on the basis that the Measures for Cybersecurity Review require network platform operators holding personal information of more than one million users to apply for cybersecurity review when they seek listing in a foreign country, and a listing in Hong Kong is not a listing in a foreign country. Our PRC Legal Adviser is of the view, and our Directors concur, that given that such listing-related requirement is expressly framed by reference to listing in a foreign country, no further consultation with the competent authorities is necessary in respect of its applicability to our listing in Hong Kong, and we do not fall into the category of other circumstances requiring proactive declaration of Cybersecurity review as stipulated in the Measures for Cybersecurity Review.

On 7 July 2022, the CAC has promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which takes effect on 1 September 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or providing personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall apply for cross-border data transfer security assessment.

On 31 December 2021, the CAC, the MIIT, the Ministry of Public Security, the Ministry of State Security jointly promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》), which came into effect on 1 March 2022. It requires algorithmic recommendation service providers to provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services.

On 27 July 2021, the Supreme People’s Court of China issued the Provisions on Several Issues concerning the Application of Law in the Trial of Civil Cases Involving the Use of Face Recognition Technologies to Process Personal Information (《關於審理適用人臉識別技術處理個人信息相關民事案件適用法律若干問題的規定》) (the “**Face Recognition Provisions**”). To process the facial information of a natural person, the individual consent of such natural person or his/her guardian must be obtained. Any violation of individual consent, or forcing or de facto forcing of a natural person to consent to the processing of facial information constitutes an infringement of the personal rights and interests of natural persons.

On 7 September 2023, Ministry of Science and Technology of the PRC (“MST”) together with other relevant departments, jointly promulgated the Measures for Ethical Review of Science and Technology (for Trial Implementation) (《科技倫理審查辦法(試行)》) (the “**Ethical Review Measures**”), which came into effect on 1 December 2023, according to which, any universities, scientific research institutions, medical and health institutions, and enterprises engaged in “ethically sensitive” science and technology activities in certain areas, including AI, must establish a science and technology ethical review committee.

As at the Latest Practicable Date, we have not established an ethical review committee as we are not currently engaged in any science or technology activities that fall within ethically sensitive fields. Entities involved in science and technology activities in fields such as life sciences, medicine or AI must establish an ethical review committee if their research content involves ethically sensitive areas. Although neither the Ethical Review Measures nor other prevailing laws and administrative regulations clearly define the scope of ethically sensitive fields, Article 25 of the Measures provides that a list-based system should be established for science and technology activities requiring expert review. This list-based system applies to emerging technologies that may pose significant ethical risks or challenges, suggesting a degree of overlap between ethically sensitive fields and those requiring expert review.

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According to the appendix to the Ethical Review Measures, science and technology activities that may pose significant ethical risks and require expert review include synthetic research on new species that may significantly impact human health, values or the ecological environment and other circumstances. As our core business does not currently involve any of the above science and technology activities that may fall within ethically sensitive fields, we have not established an ethical review committee.

Based on the nature of our business operations and our operational practices, our PRC Legal Adviser is of the view, and our Directors concur, that we were in compliance with the applicable PRC laws and regulations relating to data security, personal information protection, data privacy and cybersecurity in material respects during the Track Record Period and up to the Latest Practicable Date.

Our internal control measures

In the course of our daily business operations in the PRC, we engage in data processing activities including the collection, storage, use, processing, transmission, provision and disclosure of data. We have established and implemented key internal policies and procedures for data security management and personal information protection in accordance with the applicable laws and regulations in the PRC, including the Data Security Law, the Personal Information Protection Law and other relevant legal requirements. We have also adopted necessary organisational and technical measures to fulfil our statutory obligations, which include data classification and grading, access control, staff training, and emergency response planning for data security incidents. We continue to improve our internal controls in line with legal developments and advances in technology.

Specifically, we have established a dedicated internal organisational structure for network and data security management in compliance with the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law. Our information security governance framework includes the general manager, an information security management group composed of designated representatives, as well as our technical support and operations quality departments. The information security group operates as the highest-level body for information security matters and is led by a designated representative who also serves as our network security officer and assumes responsibility for implementing our cybersecurity obligations. Our internal control system includes foundational policies such as our network security and data security management procedures, which are enforced throughout our operations.

We have also formulated and implemented internal systems and operational procedures to ensure the secure management of data throughout its entire lifecycle. These include our Data Security Management Procedure and the Sensitive Biometric Data Management Measures. These policies govern the handling of biometric data, data classification, backup, encryption and other safeguards. For example, we apply encryption and de-identification techniques, e.g. a proprietary invention patent for a method and system to desensitise and reverse multi-channel video streams at the edge, to core product data.

With respect to access and operational permissions, we assign access rights based on job roles and require permission applications to go through our internal IT service workflow for approval. Access is granted only upon approval. For critical data such as configuration data during service delivery, runtime environments, core source code, algorithms and business operation data, we have implemented backup mechanisms to prevent data loss or damage that could impact the stability of our operations.

We have also developed and implemented incident response plans to deal with network and data security events. These include our Emergency Response Procedures for Data Security Incidents, the Data Security Incident Management Measures and our Information Security Management Policy. These documents establish our emergency response framework, which defines organisational responsibilities, incident classification standards, response procedures and reporting requirements for various security scenarios.

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Finally, we conduct regular training and awareness programmes on information security management. We maintain records of all training sessions held each year to enhance our employees' awareness and understanding of cybersecurity and data protection risks.

REGULATIONS AND POLICIES ON ARTIFICIAL INTELLIGENCE AND FACE RECOGNITION TECHNOLOGIES

On 25 November 2022, the CAC promulgated the Provisions on the Administration of Deep Synthesis for Internet Information Services (《互聯網信息服務深度合成管理規定》), which came into effect on 10 January 2023. These provisions specified two kinds of entities: Deep synthesis service providers and technical supporters, and required deep synthesis service providers and technical supporters to conduct algorithm filing. Based on our latest practice, we have completed the algorithm filing obligation as a technical supporter of deep synthesis services in accordance with Article 19 of the Provisions on the Administration of Deep Synthesis for Internet Information Services, and the algorithm filing No. is: 3502039461933. In the filed algorithm services, we provide services for enterprise customers to assist them in solving abnormal behavioral problems (such as fights and assaults) in commercial scenarios and special passenger identification problems in civil aviation scenarios. Currently, the algorithm technology has been applied to MrRay Passenger Service Robot and other products. In addition, the competent authority for the filing of algorithms is the CAC, and since the filing of algorithms was launched on March 1, 2022, the competent authority has not changed.

On 10 July 2023, the CAC promulgated the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), which came into effect on 15 August 2023. These measures are intended to promote the sound development and regulated application of generative artificial intelligence (“**Generative AI**”), safeguard national security and the public interest, and protect personal information, among other objectives. Our PRC Legal Advisor and our Directors are of the view that we are not applicable to the Interim Measures for the Administration of Generative Artificial Intelligence Services(《生成式人工智能服務管理暫行辦法》) on the grounds that we do not provide generative AI services directly to individual customers in China.

The Administrative Measures for the Security of Facial Recognition Technology Applications (《人臉識別技術應用安全管理辦法》) were promulgated on 13 March 2025 and came into effect on 1 June 2025. These measures are intended to regulate the use of facial recognition technology in the processing of facial data. The scope of these measures covers activities involving the use of facial recognition technology to process facial data within the PRC. As the term “processing” in this context may be interpreted to include entrusted processing, there remains some ambiguity as to whether these measures apply to us. Accordingly, we do not rule out the potential applicability of these measures to our operations. Further, Article 15 of the measures provides that personal information processors must file a record with the relevant provincial or higher-level CAC within 30 working days from the date on which the number of individuals whose facial data is stored using facial recognition technology reaches 100,000.

Moreover, pursuant to the Personal Information Protection Law and other applicable laws and regulations, personal information handlers that collect and process facial recognition information through the use of facial recognition technology must fulfill compliance obligations, including but not limited to informing individuals about matters related to the processing of such information, obtaining separate consent or relying on other lawful bases, conducting personal information protection impact assessments, and implementing reasonable management and technical measures to safeguard the security of stored facial recognition information.

Based on our telephone enquiries with the Fujian Provincial CAC and the Guangdong Provincial CAC, including additional telephone consultations with the Fujian Provincial CAC on May 28, 2026 and the Guangdong Provincial CAC on June 2, 2026, we were informed that the implementation of facial recognition technology application filings is primarily managed by the CAC, and that in a SaaS deployment model, where the facial recognition technology provider acts as

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an entrusted party, the record-filing obligation does not fall on the technology provider. Instead, the obligation lies with the personal information processor, namely the enterprise customer that has deployed the facial recognition product. Based on this understanding, in our FacePass Park Management Platform, we store relevant facial recognition data solely as an entrusted party under a SaaS deployment model for our enterprise customers. As such, we are currently not required to carry out the record-filing obligation. The feedback from the consultation with the provincial CACs, which confirms that the CAC is the competent authority responsible for the record-filing requirements related to the application of facial recognition technology, supports the view of the PRC Legal Adviser and our Directors that, under a SaaS deployment model in which we act solely as an entrusted process of personal information, we are not subject to the record-filing requirement or the compliance obligations imposed on personal information handlers. Overall, we may be involved in face recognition information as a result of the provision of FacePass Park Management Platform, but with respect to the various data processing activities, including FacePass and the our business research and development, we are not required to fulfill the corresponding filing obligations for the time being because under the SaaS deployment model, we act as an entrusted party providing technical services of hosting. We are unable to access or analyze any personal information without prior authorization from our customers. During the Reporting Period and up to the Latest Practicable Date, the volume of facial recognition information we store on an entrusted basis has not reached 100,000 individuals. That said, we will continue to closely monitor regulatory developments and any updated guidance from the CAC and other relevant regulatory authorities regarding the party responsible for record-filing obligations in connection with the application of facial recognition technology. In addition, based on the applicable rules currently in effect, the facial recognition technology application filing is a record-filing requirement rather than a prior regulatory approval requirement. If, due to future changes in regulatory requirements, regulatory interpretation or our business operations, such record-filing becomes applicable to us, we believe that we would be in a position to take appropriate steps to complete the filing and maintain ongoing compliance. In particular, we monitor the volume of facial recognition information stored by us on an entrusted basis and relevant regulatory developments, and would reassess the applicability of the filing requirements before any material change to the data processing arrangements or stored data volume. We have also adopted internal biometric sensitive data management rules covering data lifecycle management, which would support our compliance with the applicable filing requirements, if required in the future.

In addition, Article 59 of the Personal Information Protection Law stipulates that an entrusted party accepting the entrustment to process personal information shall take necessary measures to ensure the security of the personal information being processed. In compliance with this requirement, we have formulated a series of data security systems and, based on our internal hierarchical and classified data security management system, implemented corresponding encryption and de-identification protection measures for the collected data. Based on the above, the PRC Legal Adviser is of the opinion that we have, in all material respects, complied with all applicable laws and regulations relating to the use of facial recognition technology during the Track Record Period and up to the Latest Practicable Date.

The Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成内容标识办法》) were issued on 7 March 2025, and has come into force on 1 September 2025. The measures aim to regulate the specific requirements for conducting identification work on AI-generated and synthesized content. Specifically, the measures apply to algorithm recommendation service providers, deep synthesis service providers, and generative AI service providers that engage in the identification of AI-generated and synthesized content.

Pursuant to Article 2 of the Measures for the Identification of AI-Generated and Synthesized Content, these measures apply to network information service providers that fall within the circumstances specified in the Provisions on the Administration of Algorithm Recommendation for Internet Information Services, the Provisions on the Administration of Deep Synthesis for Internet Information Services, and the Interim Measures for the Administration of Generative Artificial Intelligence Services when engaging in the identification of AI-generated and synthesized content.

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Our PRC Legal Adviser and our Directors are of the view that we are not a service provider subject to the above three regulations, the Measures for the Identification of AI-Generated and Synthesized Content is not applicable to us.

Based on the foregoing, our PRC Legal Adviser and our Directors are of the view that, during the Track Record Period and up to the Latest Practicable Date, we are not applicable to the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) and the Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》), but we are applicable to the Provisions on the Administration of Deep Synthesis for Internet Information Services (《互聯網信息服務深度合成管理規定》). Nonetheless, with respect to some of the obligations of the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), such as the use of legally sourced models and training data, we have followed the relevant obligations in order to improve our level of compliance, and our Directors believe that the above regulations do not and are not expected to have any material adverse impact on our business or operation, and our Directors believe that the above policies and regulations do not and are not expected to have any material adverse impact on our business or operations.

REGULATIONS ON GOVERNMENT PROCUREMENT

The Government Procurement Law of the PRC (《中華人民共和國政府採購法》) (the “**Government Procurement Law**”), which was last amended on 31 August 2014, provides that public invitation for bids shall be taken as the main method of government procurement. Furthermore, the parties involved in government procurement shall not collude with each other to damage the interests of the State or the public. Pursuant to the Bidding Law of the PRC (2017 Amendment) (《中華人民共和國招標投標法(2017修正)》) (the “**Bidding Law**”), which was promulgated on 27 December 2017 and effective on 28 December 2017, bidding shall be carried out for the following construction projects, including the survey, design, construction, supervision of the project, and the procurement of the important equipment, materials relevant to the construction of the project.

REGULATIONS ON LEASING

According to the PRC Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee’s possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On 1 December 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on 1 February 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

According to the Interpretation of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which took effect on 1 January 2021, if the ownership of the leased premises changes during lessee’s possession in accordance with the terms of the lease contract, and the lessee

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requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realisation of the mortgage right.

REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), or the Environmental Protection Law, was promulgated and effective on 26 December 1989, and most recently revised on 24 April 2014. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. According to the provisions of the Environmental Protection Law, in addition to other applicable laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts are responsible for administering and supervising environmental protection matters. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to an environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project. Such installations shall not be dismantled or left idle without authorization from the competent government agencies.

Consequences of violations of the Environmental Protection Law include warnings, fines, rectification within a time limit, forced shutdown, or criminal punishment on Environment Impact Assessment.

REGULATIONS ON WORK 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》) promulgated by the SCNPC on 29 June 2002, revised on 10 June 2021 and effective on 1 September 2021, production and business operation entities must formulate safety production objectives and measures, improve the working environment and conditions of workers in a planned and step-by-step manner, establish a safety production guarantee system and implement a safety production post responsibility system. In addition, production and business operation entities must arrange safety production training and provide employees with personal protective equipment that meets national or industry standards. In addition, the production and business operation entities shall report the major hazard sources and related safety measures and emergency measures to the emergency management department and other relevant departments for the record, and formulate a safety risk rating control system and take corresponding control measures.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by SCNPC on 23 August 1982, most recently amended on 23 April 2019 and effective from 1 November 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on 3 August 2002, later amended on 29 April 2014 and effective from 1 May 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark licence agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

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Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC, which was latest amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organisations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

Pursuant to the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on 4 June 1991 and latest amended on 30 January 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on 20 February 2002 and latest amended on 1 July 2004, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognises the China Copyright Protection Centre as the software registration organisation. The China Copyright Protection Centre shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC, which was latest amended in October 2020 and became effective on 1 June 2021, and its Implementation Rule, patent is divided in to three categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain Names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT in 2017, which adopts “first to file” rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicise the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

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

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

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

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the “**Social Insurance Law**”) issued by the SCNPC in 2010 and latest amended on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

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

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on 3 April 1999, and amended on 24 March 2002, and 24 March 2019, enterprises must register at the designated administrative centres and open bank accounts for depositing employees’ housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management centre. Where employers fail to make payment within such period, enforcement by the people’s court will be applied.

In case of failure to register and open accounts for depositing employees’ housing provident funds, the housing fund management centre shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

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REGULATIONS ON FOREIGN EXCHANGE

Regulations relating to Foreign Currency Exchange

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

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “SAFE Circular 19”) on 30 March 2015, and it became effective on 1 June 2015, which was partially repealed on 30 December 2019, and latest amended on 23 March 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardising 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 was amended on 4 December 2023, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was amended on 4 December 2023, or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial changes accordingly, and we cannot assure that we will be able to comply with the latest requirements in a timely manner.

REGULATIONS ON TAX

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended on 29 December 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended in December 2024, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise

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income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council and was latest amended on 19 November 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on 28 October 2011 and effective from 1 November 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

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

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

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law of the PRC, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) which was promulgated by the National People's Congress on 9 April 1991 and most recently amended on 1 September 2023 and became effective on 1 January 2024, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on 31 August 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on 18 December 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Enterprise Income Tax Law of PRC (the "EIT Law") and the Regulation on the Implementation of the Enterprise Income Tax Law of PRC, since 1 January 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident

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investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

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

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

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

Overseas Listings

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

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

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corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

U.S. REGULATORY OVERVIEW

U.S. Customs Regulations administered by Custom and Border Protection cover goods valuation, classification, and entry procedures for products entering the U.S., with duty rates specified in the U.S. Harmonized Tariff Schedule (“**HTS**”).

Under Sections 201 and 301 of the Trade Act of 1974, the U.S. President may impose temporary import relief measures and retaliatory actions against foreign trade practices. Section 301 specifically authorizes the United States Trade Representative (“**USTR**”) to impose trade sanctions against countries engaging in unfair trade practices.

In August 2017, USTR imposed additional tariffs of 7.5% to 25.0% on approximately \$370 billion worth of Chinese goods in response to China’s intellectual property practices. On 14 May 2024, USTR confirmed these Section 301 tariffs would remain in place with for semiconductors, electric vehicles, and certain other key industries.

On 1 February 2025, President Trump ordered an additional 10% ad valorem tariff on all PRC products effective 4 February 2025, later increased to 20%. These tariffs apply in addition to existing duties and impact products from China and Hong Kong under the 2025 HTS Revision 4. The tariff situation remains fluid and subject to ongoing developments, with no final determination yet reached.

As we do not export goods to the United States, U.S. tariff policies have minimal to no impact on the Company.

Export Controls

The U.S. Bureau of Industry and Security (“**BIS**”) administers the Export Administration Regulations (“**EAR**”) under 50 U.S.C. §§ 4801–4852. Recent rules created Export Control Classification Number 3A090 for advanced ICs and 4A090 for related computers, with restrictions on exports, particularly to China. Enforcement has intensified since 2024, targeting transshipment and circumvention. Beyond product and geographic controls, EAR imposes end-use and end-user restrictions under §§744.6 (weapons of mass destruction and intelligence uses), 744.11/744.16 (Entity List), 744.21 (military end-use and end-users), and 744.23 (advanced computing and supercomputing).

Based on the analysis of our U.S. legal counsel as to export control and tariff regulations, the impact of U.S. export control regulations on the Company is remote because its U.S.-origin components are mature mass-market items (e.g. 5A992.c) rather than advanced ICs, and such products represent only a limited portion of operations. See “Business — Suppliers — Overseas Components.”

HISTORY AND CORPORATE STRUCTURE

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Established in 2012, we are an AI company that provides visual AI technologies and products for enterprise clients. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first in enterprise visual AI product market for civil aviation in China, with a market share of 8.7%, and ranked fourth in enterprise visual AI product market for commercial space in China, with a market share of 1.7%.

KEY MILESTONES

The following table summarises the key development milestones of our Group:

Year	Milestones
2012	Our Company was established and was selected as a class A enterprise in the first batch of Xiamen's "Double Hundred Plan (雙百計劃)"
2014	Selected as a National High-tech Enterprise
2016	Commenced "intelligent commerce" business with the launch of a commercial AI vision module
2018	Commenced "intelligent driving safety" business with the launch of the Driving Safety Analysis Device Commenced "intelligent civil aviation" business with visual AI products deployed in various airports
2020	Launched the SINHON Business System for "intelligent commerce" Launched the Recadas Safety Risk Management Platform for "intelligent driving safety" Participated in project of National Key R&D Programmes under the Ministry of Science and Technology
2021	Launched the TickWay Boarding Gate and the TickWay Security Gate Awarded First Prize in Civil Aviation Science and Technology by the China Air Transport Association
2022	Recognised as a key AI enterprise supported under Fujian Province's 14th Five-Year Plan Took lead in the development of an AI national standard
2023	Recognised as a National Intellectual Property Exemplary Enterprise Selected as a modal case in the national "AI Empowering Industries" initiative on AI integration and development

HISTORY AND CORPORATE STRUCTURE

Year	Milestones
2024	<p>Launched the third-generation TickWay Boarding Gate, achieving the highest growth rate in the industry among boarding gate product lines</p> <p>AI products for civil aviation covered two-thirds of top-tier airports and served one-third of all civil aviation airports nationwide</p> <p>Selected as a National “Key Little Giant” Enterprise by the Ministry of Industry and Information Technology</p>
2025	<p>Launched the AntOne Baggage Handling Robot</p> <p>Self-developed QTune Vision Large Model has been ranked among the top performers on the OpenCompass’s lightweight model (< 4B) leaderboard, with the 3B version ranks 4th and the 2B version ranks 6th globally, respectively</p>
2026	<p>Participated in drafting the first national embodied intelligence industry standard, Artificial Intelligence — Key Fundamental Technologies — The Benchmarking and Assessment Method for Embodied Artificial Intelligence (YD/T 6770–2026), officially released.</p>

ESTABLISHMENT AND MAJOR CORPORATE DEVELOPMENT OF OUR COMPANY

A. Establishment of our Company

Our Company was established in the PRC on 5 March 2012 with an initial registered capital of RMB1.0 million. Upon establishment, our Company was owned by Mr. Zhan and Mr. Yu Kai (余凱) as to 50% and 50%, respectively. Mr. Zhan is our chairman and executive Director, whilst Mr. Yu Kai is an independent third party. Mr. Yu Kai ceased to be our Shareholder in September 2017 after a series of equity transfers.

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of pre-IPO investments since the establishment of our Company. See “— Pre-IPO Investments” for details.

B. Conversion into a joint stock company

On 30 May 2025, the then Shareholders resolved to convert our Company into a joint stock company with limited liability, with a registered capital of RMB54,660,319. The audited net asset value of our Company as at 30 November 2024 amounted to approximately RMB211.6 million. Upon the completion of registration on 11 June 2025, our Company was converted into a joint stock company with limited liability with a registered capital of RMB54,660,319, comprising 54,660,319 Shares of nominal value of RMB1.00 each.

C. Share Subdivision in June 2025

On 21 June 2025, the Shares were subdivided on a one-for-five basis, and the nominal value of the Shares was changed from RMB1.00 each to RMB0.20 each, following which our total registered capital remained unchanged of RMB54,660,319 with 273,301,595 Shares in a nominal value of RMB0.20 each.

After the Share Subdivision in June 2025, the Company had undergone another round of capital increase in August 2025. As at the Latest Practicable Date, the registered and issued share capital of our Company was increased to RMB277,205,905, comprising 277,205,905 Domestic Shares with a nominal value of RMB0.20 each.

HISTORY AND CORPORATE STRUCTURE

OUR PRINCIPAL OPERATING SUBSIDIARIES

As at the Latest Practicable Date, we had two principal operating subsidiaries in the PRC which were material to our performance during the Track Record Period. The following table sets out the details of such subsidiaries:

No.	Name of subsidiary	Date of Establishment	Registered capital as at the Latest Practicable Date (RMB'000)	Equity holding of our Company	Principal business activities
1.	Shenzhen Reconova Intelligent Technologies Co., Ltd. (深圳瑞為智能科技有限公司)	20 November 2014	30,000	100%	AI and Freight Transportation Business
2.	Beijing Technologies Co., Ltd. (北京深感科技有限公司)	29 October 2015	11,000	100%	Research centre

MATERIAL ACQUISITION, MERGER AND DISPOSAL

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

CONCERT PARTY ARRANGEMENTS

For the purpose of consolidating the control of Mr. Zhan over our Company and maintaining the stability of the ownership and operation of our Company, pursuant to the concert party agreements entered into by Mr. Zhan with Mr. Su Xiaosheng and Mr. Han Songguang on 31 December 2021 and with Ms. Chi Chang on 28 July 2022 (collectively referred to as the “**Concert Parties**”), the Concert Parties have agreed to act in concert since the date of their respective concert party agreement in exercising Shareholders’ rights pertaining to our Company and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of our Company.

Ms. Chi Chang is the spouse of Mr. Yuan Gongcheng. Mr. Yuan Gongcheng was the general manager of our hardware centre and became a Shareholder in June 2016. Subsequently, due to the passing away of Mr. Yuan Gongcheng, Ms. Chi Chang inherited the equity interest in our Company from Mr. Yuan Gongcheng in September 2022.

PRE-IPO INVESTMENTS

Principal Terms of the Pre-IPO Investments

The table below summarises the principal terms of the pre-IPO investments:

Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Early Investment							
Equity Transfers							
Tibet Score Race Equity Investment Centre (L.P.) (西藏思科瑞股權投資中心(有限合伙)) (“TSREIC (L.P.)”)	8 January 2015	Mr. Zhan	26 January 2015	10,000	10,000	0.006	99.97

HISTORY AND CORPORATE STRUCTURE

Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Series A Investments (Pre-money valuation: RMB110 million; Post-money valuation: RMB139 million)							
Equity Subscription							
TSREIC (L.P.)	25 May 2016	N/A	24 June 2016 ^(note 2)	81,081	7,500,000 ^(note 3)	0.79	95.81
Dai Liyi (戴力毅)	12 July 2016	N/A	26 July 2016	50,290	6,000,000	1.02	94.58
Equity Transfer in March 2017							
TSREIC (L.P.)	31 March 2017	Yu Kai (余凱)	26 September 2017	1,475,000 ^(note 4)	11,000,000	1.50	92.04
Series B Investments (Pre-money valuation: RMB350.0 million; Post-money valuation: RMB400.0 million)							
Equity Subscription							
Wuxi ST Zhihang Investment Management Centre (Limited Partnership) (無錫賽天智航投資管理中心(有限合伙)) (“SWLVC”)	13 November 2017	N/A	2 February 2018	3,371,429	40,000,000	2.37	87.42
Shihezi Shangshi Growth of Equity Investment Partnership (LP) (石河子市尚勢成長股權投資合夥企業(有限合伙)) (“SSG”)	13 November 2017	N/A	17 November 2017	842,857	10,000,000	2.37	87.42
Series B+ Investments							
Equity Subscription (Pre-money valuation: RMB465 million; Post-money valuation: RMB500 million)							
Intel Asia Pacific Research and Development Ltd. (英特爾亞太研發有限公司) (“Intel”)	9 March 2018	N/A	15 March 2018	2,537,635	35,000,000	2.75	85.40
Su Xiaosheng (蘇曉生)	15 March 2018	N/A	2 January 2019	2,728,639	<i>(note 5)</i>	N/A	N/A
Series Pre-C Investments							
Equity Subscription (Pre-money valuation: RMB1,026 million; Post-money valuation: RMB1,200 million)							
Greenland Financial Holdings Group Company Limited (綠地金融投資控股集團有限公司) (“Greenland Financial Holdings Group”)	10 November 2019	N/A	25 November 2019	2,279,565	60,000,000	5.26	72.07
Equity Transfers in January 2020							
Greenland Financial Holdings Group	22 January 2020	Shen Min (沈敏)	22 January 2020	983,237	20,703,360	4.21	77.65
		Wu Xiaoyan (吳小燕)	22 January 2020	835,737	17,597,760	4.21	77.65
		Yang Jingjie (楊晶杰)	22 January 2020	478,709	10,080,000	4.21	77.65
		Dai Liyi (戴力毅)	22 January 2020	589,997	12,423,360	4.21	77.65
		TSREIC (L.P.)	20 January 2020	379,912	7,999,680	4.21	77.65
		Ningbo Yingfeng Technology Industry Investment Partnership (L.P.) (寧波盈峰科技產業投資合夥企業(有限合伙))	20 January 2020	1,141,105	24,027,840	4.21	77.65
		SSG	20 January 2020	150,451	3,168,000	4.21	77.65

HISTORY AND CORPORATE STRUCTURE

Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Series C Investments (Pre-money valuation: RMB1,800 million; Post-money valuation: RMB2,000 million)							
Equity Subscription							
CITICS Securities Investment Co., Ltd. (中信證券投資有限公司) (“CITIC Securities Investment”)	26 November 2020	N/A	27 November 2020	1,117,434	44,117,647	7.90	58.05
Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund Partnership (Limited Partnership) (湖南興湘中證信贏股權投資基金合夥企業(有限合夥)) (“Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund”)	26 November 2020	N/A	30 November 2020	931,195	36,764,706	7.90	58.05
Shenzhen Investment Holdings Chuangzhi Technology Private Equity Venture Capital Fund Partnership Enterprise (Limited Partnership) (深圳投控創智科技私募創業投資基金合夥企業(有限合夥)) (“Shenzhen Investment Holdings Capital”)	26 November 2020	N/A	16 December 2020	931,195	36,764,706	7.90	58.05
Nanjing SAIF Equity Investment Fund (L.P.) (南京賽富股權投資基金(有限合夥)) (“Nanjing SAIF”)	26 November 2020	N/A	9 December 2020	1,117,434	44,117,647	7.90	58.05
Shangshi Growth Acceleration (Hainan) Venture Capital Fund Partnership Enterprise (Limited Partnership) (尚勢成長加速(海南)創業投資基金合夥企業(有限合夥)) (“SSGA”)	26 November 2020	N/A	29 December 2020	558,717	22,058,824	7.90	58.05
Putian iRun II Capital (莆田芯跑二號投資合夥企業(有限合夥))	26 November 2020	N/A	7 December 2020	186,239	7,352,941	7.90	58.05

HISTORY AND CORPORATE STRUCTURE

Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Equity Transfers in September to November 2020							
Hualong Jincheng Investment Co., Ltd. (華龍金城投資有限公司) (“Hualong Investment”)	26 September 2020	Mr. Zhan	16 October 2020	1,139,782	45,000,000	7.90	58.05
CITIC Securities Investment	26 November 2020	Mr. Zhan	31 December 2020	374,210	11,819,425	6.32	66.44
		Yuan Gongcheng (原功成)	31 December 2020	81,859	2,585,499	6.32	66.44
		Han Songguang (韓松光)	31 December 2020	46,776	1,477,428	6.32	66.44
Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund	26 November 2020	Mr. Zhan	25 December 2020	311,842	9,849,521	6.32	66.44
		Yuan Gongcheng	25 December 2020	68,215	2,154,583	6.32	66.44
		Han Songguang	20 November 2020	38,980	1,231,190	6.32	66.44
Shenzhen Investment Holdings Capital	26 November 2020	Mr. Zhan	25 December 2020	311,842	9,849,521	6.32	66.44
		Yuan Gongcheng	25 December 2020	68,215	2,154,583	6.32	66.44
		Han Songguang	25 December 2020	38,980	1,231,190	6.32	66.44
Nanjing SAIF	26 November 2020	Mr. Zhan	29 December 2020	286,248	9,041,131	6.32	66.44
		Yuan Gongcheng	29 December 2020	62,617	1,977,747	6.32	66.44
		Han Songguang	29 December 2020	35,781	1,130,141	6.32	66.44
		Su Xiaosheng (蘇曉生)	26 January 2021	118,200	3,733,333	6.32	66.44
SSGA	26 November 2020	Mr. Zhan	4 January 2021	88,147	2,784,131	6.32	66.44
		Yuan Gongcheng	4 January 2021	19,282	609,029	6.32	66.44
		Han Songguang	4 January 2021	11,018	348,016	6.32	66.44
		Su Xiaosheng	4 January 2021	132,975	4,200,000	6.32	66.44
Putian iRun II Capital	26 November 2020	Mr. Zhan	6 December 2020	29,385	928,044	6.32	66.44
		Yuan Gongcheng	6 December 2020	6,428	203,010	6.32	66.44
		Han Songguang	6 December 2020	3,674	116,005	6.32	66.44
		Su Xiaosheng	6 December 2020	44,324	1,400,000	6.32	66.44
Series C+ Investments (Pre-money valuation: RMB2,000 million; Post-money valuation: RMB2,060 million)							
Equity Subscription							
Shanghai Shi Chuan Intelligent Technology Partnership (Limited Partnership) (上海實川壹智能科技合夥企業(有限合夥)) (“Shanghai Shi Chuan”) (note 16)	10 February 2021	N/A	11 March 2021	1,519,710	60,000,000	7.90	58.05
Equity Transfers in February 2021							
Wuxi Hechuang High-tech Equity Investment Partnership Enterprise (Limited Partnership) (無錫合創高新股權投資合夥企業(有限合夥)) (“Wuxi Hechuang High-Tech”)	10 February 2021	Yang Jingjie (楊晶杰)	28 May 2021	504,528	15,935,504	6.32	66.44

HISTORY AND CORPORATE STRUCTURE

Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Series D Investments (Pre-money valuation: RMB2,500 million; Post-money valuation: RMB2,619 million)							
Equity Subscription							
Ningbo Gaolue Jucai Investment Partnership Enterprise (Limited Partnership) (寧波高略聚才投資合夥企業(有限合夥)) (“Gaolue Jucai”)	4 August 2022	N/A	5 September 2022	500,896	24,000,000	9.58	49.13
Hainan Chengmingjia Venture Capital Partnership (Limited Partnership) (海南程銘嘉創業投資合夥企業(有限合夥)) (“Chengmingjia VC Fund”)	4 August 2022	N/A	22 August 2022	313,060	15,000,000	9.58	49.13
Hangzhou Fuyang SAIF Yi’an Equity Investment Partnership (Limited Partnership) (杭州富陽賽富億安股權投資合夥企業(有限合夥)) (“SAIF Yi’an”)	4 August 2022	N/A	19 August 2022	104,353	5,000,000	9.58	49.13
Nantong Merchants Jianghai Industry Development Fund Partnership (L.P.) (南通招商江海產業發展基金合夥企業(有限合夥)) (“Nantong Jianghai Fund”)	4 August 2022	N/A	15 August 2022	1,252,241	60,000,000	9.58	49.13
Shanghai Hongyu Aviation Industry Equity Investment Partnership (Limited Partnership) (上海泓宇航空產業股權投資合夥企業(有限合夥)) (“Hon Universe Aviation Industry Fund”)	4 August 2022	N/A	18 August 2022	313,060	15,000,000	9.58	49.13
Equity Transfers in August 2022							
Hon Universe Aviation Industry Fund	4 August 2022	Greenland Financial Holdings Group	26 September 2022	1,630,522	50,000,000	6.13	67.45
Nantong Jianghai Fund	4 August 2022	Greenland Financial Holdings Group	29 September 2022	596,305	20,000,000	6.71	64.37
SAIF Yi’an	4 August 2022	Greenland Financial Holdings Group	21 September 2022	298,153	10,000,000	6.71	64.37
Series E Investments (Pre-money valuation: RMB3,500 million; Post-money valuation: RMB3,550 million)							
Equity Transfer in April 2025							
Hainan KING TOWER Intelligent Manufacturing Phase I Private Equity Fund Partnership (Limited Partnership) (海南景泰智造一期私募股權基金合夥企業(有限合夥)) (“KT Manufacturing I PE Fund”)	10 April 2025	Nanjing Chuangyi South Fengzheng Software Enterprise Investment Partnership (Limited Partnership) (南京創熠南方風正軟件谷創業投資合夥企業(有限合夥))	9 July 2024	324,056	14,000,000	8.64	54.12

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Name of Pre-IPO Investor	Date of contract/resolutions	Transferor	Date of settlement	Registered capital or number of Shares of our Company subscribed for/acquired (RMB)	Consideration (RMB)	Cost per Share paid (RMB) ⁽¹⁾	Discount to the Offer Price (%) ⁽¹⁾
Equity Subscription							
Tongxiang Wutong Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉梧桐普華風棲創業投資合夥企業(有限合夥)) (“Tongxiang Puhua”)	15 August 2025	N/A	22 August 2025	1,952,155	25,000,000	12.81	31.98
Puhua Fengqi (Ningbo) Venture Capital Fund Partnership (Limited Partnership) (普華風起(寧波)創業投資基金合夥企業(有限合夥)) (“Ningbo Puhua”)	15 August 2025	N/A	21 August 2025	1,952,155	25,000,000	12.81	31.98
Equity Transfers in August 2025							
Hainan Cheng Mingrui Investment Partnership (Limited Partnership) (海南程銘瑞投資合夥企業(有限合夥)) (“Hainan Cheng Mingrui”)	8 August 2025	Greenland Financial Holdings Group (note 6)	14 August 2025	1,822,010	12,000,000	6.59	65.00
	11 August 2025	Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund	20 August 2025	675,115	6,000,000	8.89	52.80
Tongxiang Puhua	8 August 2025	Greenland Financial Holdings Group (note 6)	22 August 2025	2,843,096	18,725,000	6.59	65.00
	13 August 2025	Shenzhen Huazi United Investment Partnership (Limited Partnership) (深圳市華資聯合投資合夥企業(有限合夥)) (“Shenzhen Huazi”)	22 August 2025	569,890	6,275,000	11.01	41.54
Ningbo Puhua	8 August 2025	Greenland Financial Holdings Group (note 6)	22 August 2025	2,843,096	18,725,000	6.59	65.00
	13 August 2025	Shenzhen Huazi	22 August 2025	569,890	6,275,000	11.01	41.54

Notes:

- (1). The cost per Share is arrived at by dividing the total consideration by the total number of Shares to be converted from the registered capital held by the respective investors as a result of the conversion into a joint stock limited company and their respective subscriptions or purchases as adjusted by the Shares Subdivision at a ratio of 1:5. Apart from the adjustment made pursuant to the Shares Subdivision, the cost per Share was further adjusted to reflect the capital increase effected by the respective Shareholders through the conversion of capital reserves into registered capital in September 2016.

The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$21.66 per H Share.

- (2). Such date represents the date of completion of the registration of the equity increase with the relevant industry and commerce bureau of the PRC.
- (3). Pursuant to a financing agreement dated 8 January 2015 entered among the Company and TSREIC (L.P.), TSREIC (L.P.) had provided a loan in the amount of RMB7,500,000 to the Company which is convertible into equity interest of the Company. Such outstanding loan amount was subsequently converted into equity interest of the Company.
- (4). The equity interest was transferred from Yu Kai (余凱), a past shareholder of our Company.
- (5). Such consideration was settled by Su Xiaosheng through transferring 70% of the equity interest of Beijing Deep Sense Technologies Co., Ltd. (北京深感科技有限公司) to our Company. The valuation of the entire equity interest of Beijing Deep Sense Technologies Co., Ltd. as assessed by an independent valuer as at 31 December 2017 was approximately RMB26.1 million.
- (6). To the best of our Directors' knowledge, the partial divestment of the Company's Shares by Greenland Financial Holdings Group was mainly due to the internal funding needs of Greenland Financial Holdings Group.

HISTORY AND CORPORATE STRUCTURE

To the best knowledge of the Directors, the aforementioned transfers of equity interest in the Company from the transferors to the Pre-IPO Investors were generally at larger discount to the Offer Price when compared to the other equity subscriptions at similar times, mainly due to (i) that the transferors generally had invested in our Company for a period of time and they decided to dispose of their equity interest in our Company because of funding needs at the relevant time, and therefore there was room for negotiation of the price for the transfer; and (ii) that shareholders which obtained equity interest in our Company through equity subscriptions generally obtained shareholders' special rights from the Company and enjoyed more favourable treatments, which warranted a higher subscription price per share.

Basis of consideration

The consideration of each round of Pre-IPO Investments was determined based on arm's length negotiation with our respective Pre-IPO Investors and our Group after taking into consideration the timing of the investments, our valuation when the investment agreement was entered into, the status of our business operations, financial performance of our Group, and the prospects of our business.

Use of proceeds from the Pre-IPO Investments

The proceeds received by us from the pre-IPO investments which involved subscriptions of increased registered capital of our Company amounted to approximately RMB571.2 million (excluding funds raised from investors who ceased to be our Shareholders). As at 31 December 2025, the net proceeds from the pre-IPO investments had been fully utilised. The proceeds from the pre-IPO investments have been utilised for our general operation and working capital purposes.

Special rights of our Pre-IPO Investors

(i) Redemption right and other special rights granted by our Company

Pursuant to the shareholders' agreements and investment agreements entered into by our Company and the then Shareholders, our Pre-IPO Investors were granted certain special rights by our Company, including, among others, (i) the redemption right and liquidation preferences granted by our Company (the "**Company Redemption Rights**") and (ii) other special rights, including pre-emptive right, right of first refusal, information right and anti-dilution right (the "**Other Special Rights**").

(ii) Redemption right granted by our Controlling Shareholders

Pursuant to the shareholders' agreements and investment agreements entered into by our Company and the then Shareholders, our Pre-IPO Investors were granted redemption rights by our Controlling Shareholders, including Mr. Zhan, Dr. Su, Mr. Han Songguang, Ms. Chi Chang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership (the "**CS Redemption Rights**").

(iii) Termination of redemption rights and other special rights

In light of the fact that the aforesaid redemption rights and other special rights had not been exercised by the Pre-IPO Investors since the execution of the shareholders' agreements and investment agreements, and taking into account the Company's application for the Listing and the requirements in relation to special rights pursuant to Chapter 4.2 of the Guide, on 10 June 2025 and 30 December 2025, the Company, the Controlling Shareholders and the Pre-IPO Investors entered into supplemental agreements (the "**Relevant Agreements**"), agreeing that (i) the Company Redemption Rights have been irrecoverably terminated and shall be void ab initio; (ii) the CS Redemption Rights shall be terminated on the calendar day immediately preceding the initial filing of the application for Listing; and (iii) the Other Special Rights shall be terminated upon the completion of the Listing. In the event that the Listing is not successfully completed, including but not limited to circumstances where the Listing application is withdrawn, rejected, not accepted, terminated, or not approved, or where the Listing is otherwise not completed within the agreed

HISTORY AND CORPORATE STRUCTURE

timeframe, the CS Redemption Rights shall be reinstated. None of the Pre-IPO Investors had exercised any redemption right or other special rights prior to the execution of the Relevant Agreements.

Save for the Relevant Agreements as disclosed above, there are no other side agreements among the Company, the Controlling Shareholders and the Pre-IPO Investors regarding the Company Redemption Rights and CS Redemption Rights. Considering that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors and the Company has not provided guarantees in respect of the CS Redemption Rights, no redemption liability was recorded during the Track Record Period. For details, please refer to note 35 of the Accountants' Report.

Article 143 of the Civil Code of the People's Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. Adhering to the principle of autonomy of will, the Company and the Pre-IPO Investors explicitly agreed that the Company Redemption Rights were irrevocably terminated and deemed void ab initio. Through the execution of the Relevant Agreements, while the clauses concerning the Company Redemption Rights have never been exercised, both parties agreed to terminate these clauses and to treat them as having no legal effect from the time of their execution, thereby restoring the rights and obligations of both parties to the status quo ante as if such clauses had never been agreed upon. This arrangement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid. Based on the above, the PRC Legal Adviser is of the view that the Company Redemption Rights agreed upon by the Company and the Pre-IPO Investors have been irrevocably terminated and shall be deemed void ab initio.

In confirming that the redemption rights granted by the Company had been terminated retrospectively, the Joint Sponsors have conducted due diligence work including, among others: (i) reviewing the agreements in relation to the pre-IPO investments, (ii) reviewing the PRC legal opinions issued by the PRC Legal Adviser, and (iii) discussing with the PRC Legal Adviser and the legal adviser as to PRC law of the Joint Sponsors to understand the treatment of the redemption rights granted by the Company under the PRC laws.

Please refer to note 28 to the Accountants' Report in Appendix I to this prospectus for the accounting treatment of the Company Redemption Rights.

Information regarding our Pre-IPO Investors

Set out below is a description of our Sophisticated Independent Investors (including Pathfinder SIIs) and other Pre-IPO Investors. Among our Pre-IPO Investors, we have eight Sophisticated Independent Investors. To the best knowledge of our Directors, save for Han Songguang who are our Director, each of our Sophisticated Independent Investors, other Pre-IPO Investors and their respective ultimate beneficial owners is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates.

Our Pathfinder SIIs

Greenland Financial Holdings Group

Greenland Financial Holdings Group is a company established in the PRC with limited liability and is ultimately controlled as to approximately 87.27% by Greenland Financial Technology Group Limited (綠地金創科技集團有限公司), and the remaining 12.73% of the equity interest is held by 10 other shareholders with each holding not more than 10% of the equity interest. Greenland Financial Technology Group Limited is a wholly-owned subsidiary of Greenland Holdings Corporation Limited (綠地控股集團有限公司), the shares of which are listed on the Shanghai Stock Exchange (600606.SH). Greenland Holdings Corporation Limited is a conglomerate with investments in real estate, infrastructure and consumers sectors.

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The size of investment portfolios of Greenland Holdings Corporation Limited, being the parent company of Greenland Financial Holdings Group, was RMB39,736 million as at 30 June 2019 (being a date not more than six months prior to the date on which Greenland Financial Holdings Group signed the relevant definitive agreement for its investment in our Company), and RMB71,089 million as at 31 December 2024 (being a date which is no more than six months prior to the date of the application for the Listing). Further, according to Frost & Sullivan, Greenland Holdings Corporation Limited was ranked among the top 15 providers in the real estate industry in the PRC in terms of revenue as at both 30 June 2019 and 31 December 2025. As Greenland Financial Holdings Group is ultimately controlled by Greenland Holdings Corporation Limited which is a key participant in the relevant downstream industry with a meaningful market share and size, it qualifies as our Pathfinder SII pursuant to Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, Greenland Financial Holdings Group held approximately 7.89% and 7.89% of the total issued share capital of our Company, as at 30 June 2025 (being the date of submission of the Company's first listing application) and 30 June 2024 (being the commencement date of the pre-application 12-month period), respectively.

Sai Fu Investors

Each of Nanjing SAIF and SAIF Yi'an (collectively, the "**Sai Fu Investors**") is a limited partnership established under the laws of the PRC. Nanjing SAIF is an equity investment fund controlled by its general partner, Nanjing Sai Fu Equity Investment Management Centre (Limited Partnership) (南京賽富股權投資管理中心(有限合夥)), while SAIF Yi'an is an equity investment fund controlled by its general partner, Hangzhou Fu Yang Sai Fu Jia Yuan Equity Investment Partnership (Limited Partnership) (杭州富陽賽富嘉元股權投資合夥企業(有限合夥)). The general partner of each of Nanjing SAIF and SAIF Yi'an is controlled and managed by Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership) (天津賽富盛元投資管理中心(有限合夥)). Each of Nanjing SAIF and SAIF Yi'an is managed by its fund manager, Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership). Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership) is owned as to 35%, 24%, 20%, 20% and 1% by Yan Ansheng (閻安生), Zhao Jun (趙鈞), Xie Xuejun (謝學軍), Jin Fengchun (金鳳春) and Tianjin Himalaya Investment Consulting Co., Ltd. (天津喜瑪拉雅投資諮詢有限公司) (which is owned as to 50% and 50% by Zhao Jun (趙鈞) and Li Jia (李佳)), respectively.

Nanjing SAIF is owned as to 1.96% by its general partner. The remaining partnership interest is owned by 12 limited partners, of which approximately 19.60% and 13.07% is owned by Sichuan Leshan Fuhua Agricultural Technology Investment Group Co., Ltd. (四川省樂山市福華農科投資集團有限責任公司) (which is owned as to 99% and 1% by Zhang Hua (張華) and Zhang Bin (張彬), respectively) and Sunshine Life Insurance Co., Ltd. (陽光人壽保險股份有限公司), respectively. Sunshine Life Insurance Co., Ltd. is a subsidiary of Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), the H shares of which are listed on the Stock Exchange. The remaining 10 limited partners of Nanjing SAIF each holds less than 10% of the interest therein. Each of the general partner and limited partners of Nanjing SAIF is an independent third party.

SAIF Yi'an is owned as to approximately 2.78% by its general partner. The remaining partnership interest is owned by 2 limited partners, of which 69.44% and 27.78% is owned by Hangzhou Fuyang Xinmingjian Equity Investment Partnership (Limited Partnership) (杭州富陽鑫明健股權投資合夥企業(有限合夥)) and Hangzhou Fuyang Bitwang Equity Investment Partnership (Limited Partnership) (杭州富陽比特旺股權投資合夥企業(有限合夥)), respectively. Hangzhou Fuyang Xinmingjian Equity Investment Partnership (Limited Partnership) is ultimately controlled by Li Xiaoming (李曉明) and Li Zijian (李梓健) as to 97.5% and 2.5%, respectively. Hangzhou Fuyang Bitwang Equity Investment Partnership (Limited Partnership) is owned as to 99.04% and 0.96% by Dan Erte (單爾特) and Qingtian Wangte Enterprise Management Partnership (Limited Partnership) (青田旺特企業管理合夥企業(有限合夥)) (of which Dan Erte is the general partner), respectively. Each of the general partner and limited partners of SAIF Yi'an is an independent third party.

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The AUM of Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership), being the fund manager of Sai Fu Investors, was RMB15,833 million as at 30 June 2020 (being a date not more than six months prior to the date on which Sai Fu Investors signed the first relevant definitive agreement for its investment in our Company), and RMB16,966 million as at 31 December 2024 (being a date which is no more than six months prior to the date of the application for the Listing). As Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership) is ultimately responsible for the investment decisions of Sai Fu Investors, the different platforms are purely different funds or entities ultimately managed by the same entity and should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Guide. As the AUM of Tianjin Sai Fu Sheng Yuan Investment Management Centre (Limited Partnership) meets the threshold set out in Chapter 2.5 of the Guide, the Sai Fu Investors collectively qualify as our Pathfinder SII pursuant to Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, the Sai Fu Investors held approximately 3.70% and 3.70% of the total issued share capital of our Company, as at 30 June 2025 (being the date of submission of the Company's first listing application) and 30 June 2024 (being the commencement date of the pre-application 12-month period), respectively.

Shanghai SASAC Investors

Each is Hon Universe Aviation Industry Fund and Sichuan Cooperation Innovation Fund is ultimately controlled and managed by the Shanghai Municipal State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會) (“**Shanghai SASAC**”).

Hon Universe Aviation Industry Fund

Hon Universe Aviation Industry Fund is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner and fund manager, Shanghai Airport Hongyu Investment Management Co., Ltd. (上海機場泓宇投資管理有限公司), which is in turn owned as to 30%, 19%, 18%, 18% and 15% by Shanghai Airport Investment Co., Ltd. (上海機場投資有限公司), Shanghai International Airport Co., Ltd. (上海國際機場股份有限公司), Shanghai Pei He De Yuan Consulting Management Partnership (Limited Partnership) (上海培合德圓諮詢管理合夥企業(有限合夥)), CICC Pu Cheng Investment Co., Ltd. (中金浦成投資有限公司) and Shanghai Guo Fang Private Equity Fund Management Co., Ltd. (上海國方私募基金管理有限公司), respectively.

Shanghai Airport Investment Co., Ltd. is a wholly-owned subsidiary of Shanghai Airport (Group) Co., Ltd. which is ultimately controlled by Shanghai SASAC.

Shanghai International Airport Co., Ltd. is a company the shares of which are listed on the Shanghai Stock Exchange (stock code: 600009), of which Shanghai Airport (Group) Co., Ltd. is the single largest shareholder holding 58.38% interest therein. Shanghai Airport (Group) Co., Ltd. is wholly owned by Shanghai SASAC.

Shanghai Pei He De Yuan Consulting Management Partnership (Limited Partnership) is controlled by its general partner, Shanghai Peihedeyuan Enterprise Management Co., Ltd. (上海培合德圓企業管理有限公司), which is in turn owned as to 80% and 20% by Wang Zhuxiong (汪柱雄) and Lu Minwei (陸敏偉), respectively.

CICC Pu Cheng Investment Co., Ltd. is a wholly-owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司), the H shares of which are listed on the Stock Exchange (stock code: 3908).

The single largest shareholder of Shanghai Guo Fang Private Equity Fund Management Co., Ltd. is Shanghai International Group Asset Management Co., Ltd. (上海國際集團資產管理有限公司) holding 35% interest therein, which is in turn ultimately controlled by Shanghai SASAC.

Hon Universe Aviation Industry Fund is owned as to approximately 0.98% by its general partner. The remaining partnership interest is owned by 8 limited partners, of which approximately 20.42%, 16.34%, 16.34%, 16.34% and 15.32% is owned by Henan Zhongyu Industrial Investment

HISTORY AND CORPORATE STRUCTURE

Group Co., Ltd. (河南中豫產業投資集團有限公司), Chengdu Jiaotou Investment Capital Management Co., Ltd. (成都交投資本管理有限責任公司), Shanghai Airport Investment Co., Ltd. (上海機場投資有限公司), Shanghai International Airport Co., Ltd. (上海國際機場股份有限公司) and Shanghai Guofang FOF Phase I Equity Investment Partnership (L.P.) (上海國方母基金一期創業投資合夥企業(有限合夥)). The remaining 3 limited partners of Hon Universe Aviation Industry Fund each hold less than 10% of the interest therein. Each of the general partner and limited partners of Hon Universe Aviation Industry Fund is an independent third party.

Henan Zhongyu Industrial Investment Group Co., Ltd. is ultimately controlled by Henan Province Finance Bureau (河南省財政廳). Chengdu Jiaotou Investment Capital Management Co., Ltd. is ultimately controlled by the Chengdu Municipal State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會). Shanghai Guofang FOF Phase I Equity Investment Partnership (L.P.) is controlled by its general partner, Shanghai Guofang Private Equity Fund Management Co., Ltd. (上海國方私募基金管理有限公司).

The general partner of Hon Universe Aviation Industry Fund is ultimately controlled by Shanghai Airport (Group) Co., Ltd. (上海機場(集團)有限公司). According to Frost & Sullivan, Shanghai Airport (Group) Co., Ltd. was ranked as the sixth largest provider in the airport industry in the PRC in terms of passenger throughput as at 30 June 2022, as the second largest provider in the airport industry in the PRC in terms of passenger throughput as at 31 December 2024, and ranked as the largest provider in the airport industry in the PRC in terms of cargo throughput as at both 30 June 2022 and 31 December 2024, respectively. Shanghai Airport (Group) Co., Ltd. ranked the second in the PRC airport industry, in terms of total annual passenger throughput in 2025, with a market share of 9%. As Hon Universe Aviation Industry Fund is ultimately controlled by Shanghai Airport (Group) Co., Ltd. which is a key participant in the relevant downstream industry with a meaningful market share and size, it qualifies as our Pathfinder SII pursuant to Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, Hon Universe Aviation Industry Fund held approximately 3.56% and 3.56% of the total issued share capital of our Company, as at 30 June 2025 (being the date of submission of the Company's first listing application) and 30 June 2024 (being the commencement date of the pre-application 12-month period), respectively.

Sichuan Cooperation Innovation Fund

Sichuan Cooperation Innovation Fund is a limited partnership established under the laws of the PRC. It is an equity investment fund managed by its fund manager, Shanghai Industrial Technology Enterprise Investment Co., Ltd. (上海上實科技創業投資有限公司), which is indirectly wholly owned by Shanghai Industrial (Group) Co., Ltd. (上海上實(集團)有限公司). Shanghai Industrial (Group) Co., Ltd. is ultimately controlled by Shanghai SASAC.

The general partner of Sichuan Cooperation Innovation Fund is Sichuan Huchuan Cooperative Innovation Investment Management Co., Ltd. (四川滬川合作創新投資管理有限公司). Sichuan Huchuan Cooperative Innovation Investment Management Co., Ltd. is owned as to 40%, 30% and 30% by Sichuan Huchuan Enterprise Management Partnership (Limited Partnership) (四川滬川企業管理合夥企業(有限合夥)), Shanghai Shangshi Technology Venture Capital Co., Ltd. (上海上實科技創業投資有限公司) and Sichuan Development Industry Guidance Equity Investment Fund Management Co., Ltd. (四川發展產業引導股權投資基金管理有限責任公司), respectively. Sichuan Huchuan Enterprise Management Partnership (Limited Partnership) is controlled by its general partner, Shanghai Guorong Ruichuang Asset Management Co., Ltd. (上海國榕銳創資產管理有限公司), which is in turn owned as to 83.33% and 16.67% by Guo Rui (郭睿) and Zhang Shudong (張曙東), respectively. Shanghai Shangshi Technology Venture Capital Co., Ltd. is an indirect wholly-owned subsidiary of Shanghai Industrial (Group) Co., Ltd. Sichuan Development Industry Guidance Equity Investment Fund Management Co., Ltd. is ultimately controlled by the Sichuan Provincial State-owned Assets Supervision and Administration Commission (四川省國有資產監督管理委員會).

HISTORY AND CORPORATE STRUCTURE

Sichuan Cooperation Innovation Fund is owned as to approximately 1.27% by its general partner. The remaining partnership interest is owned by 5 limited partners, of which approximately 38.03%, 25.35%, 12.68%, 12.68% and 10% is owned by Sichuan Enterprise Reform and Development Equity Investment Fund Partnership (Limited Partnership) (四川企業改革發展股權投資基金合夥企業(有限合夥)), Shanghai Shangshi Venture Investment Co., Ltd. (上海上實創業投資有限公司), Shanghai Industrial Development Co., Ltd. (上海實業發展股份有限公司), Shanghai Shangzi Technology Co., Ltd. (上海上諧科技有限公司) and Chengdu Jiaozi Industrial Equity Investment Fund Partnership (Limited Partnership) (成都交子產業股權投資基金合夥企業(有限合夥)), respectively. Each of the general partner and limited partners of Sichuan Cooperation Innovation Fund is an independent third party.

Sichuan Enterprise Reform and Development Equity Investment Fund Partnership (Limited Partnership) is controlled by its general partner, Sichuan Development Industry Guidance Equity Investment Fund Management Co., Ltd. (四川發展產業引導股權投資基金管理有限責任公司), which is ultimately controlled by the Sichuan Provincial State-owned Assets Supervision and Administration Commission. Shanghai Shangshi Venture Investment Co., Ltd. is a wholly-owned subsidiary of Shanghai Industrial (Group) Co., Ltd.. Shanghai Industrial Development Co., Ltd. is a company the shares of which are listed on the Shanghai Stock Exchange (stock code: 600748). Shanghai Shangzi Technology Co., Ltd. is ultimately controlled by the Shanghai Municipal State-owned Assets Supervision and Administration Commission.

The size of investment portfolios of Shanghai Industrial (Group) Co., Ltd. was RMB32,823 million as at 30 June 2021 (being a date not more than six months prior to the date of the relevant definitive agreement for the investment in our Company), and RMB47,345 million as at 31 December 2024 (being a date which is no more than six months prior to the date of the application for the Listing). As Sichuan Cooperation Innovation Fund is managed by Shanghai Industrial (Group) Co., Ltd., Sichuan Cooperation Innovation Fund qualifies as a Pathfinder SII. In compliance with Rule 18C.05 of the Listing Rules, Sichuan Cooperation Innovation Fund held approximately 2.68% and 2.68% of the total issued share capital of our Company, as at 30 June 2025 (being the date of submission of the Company's first listing application) and 30 June 2024 (being the commencement date of the pre-application 12-month period), respectively.

Nantong Jianghai Fund

Nantong Jianghai Fund is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner and fund manager, Shenzhen CMBC No. 2 Equity Investment Fund Management Co., Ltd. (深圳市招商國協貳號股權投資基金管理有限公司), which is a wholly-owned subsidiary of China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司).

Nantong Jianghai Fund is owned as to approximately 0.0038% by its general partner. The remaining partnership interest is owned by 6 limited partners, of which approximately 28.79%, 28.79%, 19.20% and 19.20% is owned by Nantong Industrial Investment Parent Fund Co., Ltd. (南通市產業投資母基金有限公司), Nantong High-tech Zone Science City Investment and Development Co., Ltd. (南通高新區科技城投資發展有限公司), China Merchants Capital Holdings Co., Ltd. (招商局資本控股有限責任公司) and Shenzhen Zhaoshang Zhaoyin Equity Investment Fund Partnership (Limited Partnership) (深圳市招商招銀股權投資基金合夥企業(有限合夥)). The remaining 2 limited partners of Nantong Jianghai Fund each holds less than 10% of the interest therein. Each of the general partner and limited partners of Nantong Jianghai Fund is an independent third party.

Nantong Industrial Investment Parent Fund Co., Ltd. and Nantong High-tech Zone Science City Investment and Development Co., Ltd. are ultimately controlled by the Nantong Municipal People's Government State-owned Assets Supervision and Administration Commission (南通市人民政府國有資產監督管理委員會). Shenzhen Zhaoshang Zhaoyin Equity Investment Fund Partnership (Limited Partnership) is controlled by its general partner, Shenzhen China Merchants Yingkui Equity

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Investment Fund Management Co., Ltd. (深圳市招商盈葵股權投資基金管理有限公司), which is a wholly-owned subsidiary of China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司).

The general partner of Nantong Jianghai Fund is indirectly wholly owned by China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司). The size of investment portfolios of China Merchants Capital Investment Co., Ltd. was RMB15,593 million as at 30 June 2022 (being a date not more than six months prior to the date on which Nantong Jianghai Fund signed the relevant definitive agreement for its investment in our Company), and RMB15,268 million as at 31 December 2024 (being a date which is no more than six months prior to the date of the application for the Listing). As Nantong Jianghai Fund is ultimately controlled by China Merchants Capital Investment Co., Ltd., Nantong Jianghai Fund qualifies as our Pathfinder SII pursuant to Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, Nantong Jianghai Fund held approximately 3.38% and 3.38% of the total issued share capital of our Company, as at 30 June 2025 (being the date of submission of the Company's first listing application) and 30 June 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our other Sophisticated Independent Investors

Intel

Intel is a company established in the PRC with limited liability which is indirectly wholly owned by Intel Corporation, the shares of which are listed on NASDAQ (stock code: INTC). Intel Corporation is a global designer and manufacturer of semiconductor products.

According to Frost & Sullivan, Intel Corporation is ranked among the top five global semiconductor providers in terms of revenue for both the years ended 31 December 2017 and 2025.

As Intel is ultimately wholly owned by Intel Corporation, which is a key participant in the relevant upstream industry with a meaningful market share and size, it qualifies as a Sophisticated Independent Investor pursuant to Chapter 2.5 of the Guide.

We have no business relationship with Intel. Intel has not contributed any technology to us, and we have not purchased any chips or components directly from Intel.

CITIC Securities Investment

CITIC Securities Investment is a company established in the PRC with limited liability and is principally engaged in financial product investment, securities investment and equity investment. CITIC Securities Investment is a wholly-owned subsidiary of CITIC Securities Company Limited (中信證券股份有限公司), the shares of which are listed on both the Stock Exchange (stock code: 6030) and the Shanghai Stock Exchange (600030.SH).

The size of investment portfolios of CITIC Securities Co., Ltd., being the parent company of CITIC Securities Investment, was over RMB15 billion as at 30 June 2020 (being a date not more than six months prior to the date on which CITIC Securities Investment signed the relevant definitive agreement for its investment in our Company), and as at 31 December 2024 (being a date which is no more than six months prior to the date of the application for the Listing). As CITIC Securities Investment is ultimately controlled and managed by CITIC Securities Co., Ltd., whose size of investment portfolios meets the threshold set out in Chapter 2.5 of the Guide, CITIC Securities Investment qualifies as a Sophisticated Independent Investor.

Shenzhen Investment Holdings Capital

Shenzhen Investment Holdings Capital is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its managing general partner responsible for investment and management of its assets and fund manager, Shenzhen Investment Holdings Capital Ltd. (深圳市投控資本有限公司). Shenzhen Investment Holdings Capital Ltd. is wholly owned by Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of Shenzhen

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People's Government (深圳市人民政府國有資產監督管理委員會). Shenzhen Investment Holdings Co., Ltd. is a state-owned capital investment company with investment focus in hard technology fields, including semiconductors, advanced manufacturing, AI, new energy, new materials, biomedicine, robotics and other industries.

Shenzhen Investment Holdings Capital is owned as to 1% by its managing general partner. The remaining partnership interest is owned by four other partners, of which 35%, 34%, 20% and 10% is owned by Jianxin (Beijing) Investment Fund Management Ltd. (建信(北京)投資基金管理有限責任公司), Shenzhen Investment Bay Area Equity Investment Fund Partnership (Limited Partnership) (深圳投控灣區股權投資基金合夥企業(有限合夥)), Guangda Hengan (Shenzhen) Equity Investment Management Ltd. (廣大恒安(深圳)股權投資管理有限公司) and Shenzhen Jinxinnuo High-tech Technology Ltd. (深圳金信諾高新技術股份有限公司), respectively. Each of the general partner and limited partners of Shenzhen Investment Holdings Capital is an independent third party.

Jianxin (Beijing) Investment Fund Management Ltd. is ultimately controlled as to 67% and 33% by China Construction Bank Corporation (中國建設銀行股份有限公司) and the Hefei Municipal People's Government State-owned Assets Supervision and Administration Commission (合肥市人民政府國有資產監督管理委員會), respectively.

Shenzhen Investment Bay Area Equity Investment Fund Partnership (Limited Partnership) is owned as to 99.86% and 0.14% by Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) and Shenzhen Investment Holdings Capital Ltd. (深圳市投控資本有限公司), respectively, both of which are ultimately controlled by the Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會).

Guangda Hengan (Shenzhen) Equity Investment Management Ltd. is ultimately controlled as to 51% and 49% by the Hebei Provincial People's Government State-owned Assets Supervision and Administration Commission (河北省人民政府國有資產監督管理委員會) and Li Changlin (李長林) (who is an independent third party), respectively.

Shenzhen Jinxinnuo High-tech Technology Ltd. is a company the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300252). Huang Changhua (黃昌華), an independent third party, is the single largest shareholder and held 20.82% of its shares.

The AUM of the managing general partner of Shenzhen Investment Holdings Capital, Shenzhen Investment Holdings Capital Ltd., was over RMB21 billion as at 31 May 2020 (being a date not more than six months prior to the date on which Shenzhen Investment Holdings Capital signed the relevant definitive agreement for its investment in our Company), and over RMB46 billion as at 31 May 2025 (being a date which is no more than six months prior to the date of the application for the Listing). Therefore, Shenzhen Investment Holdings Capital qualifies as a Sophisticated Independent Investor.

Our other Pre-IPO Investors

SWLVC

SWLVC is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Qing Chuan Private Equity Fund Management (Wuxi) Co., Ltd. (清川私募基金管理(無錫)有限公司), which is owned as to 64% by Wuxi Jing Shui Hu Enterprise Management Co., Ltd. (無錫靜水湖企業管理有限公司) and the remaining 36% of the equity interest is owned by six other shareholders each holding not more than 10% of the equity interests. Wuxi Jing Shui Hu Enterprise Management Co., Ltd. is a company wholly owned by Zhang Yi.

SWLVC is owned as to 1.27% by its general partner. The remaining partnership interest is owned by 34 limited partners, of which approximately 21.82%, 19.70% and 16.36% is owned by Wuxi Enterprise Investment Group Ltd. (無錫創業投資集團有限公司), Wuxi Taihu Equity Investment Fund (Limited Partnership) (無錫太湖股權投資基金(有限合夥)) and Wuxi Huikai

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Investment Management Ltd. (無錫惠開投資管理有限公司), respectively. The remaining 31 limited partners of SWLVC each hold less than 10% of the interest therein. Each of the general partner and limited partners of SWLVC is an independent third party.

Wuxi Enterprise Investment Group Ltd. is ultimately controlled as to 99.69% and 0.31% by the State-owned Assets Supervision and Administration Commission of Wuxi People's Government (無錫市人民政府國有資產監督管理委員會) and Wuxi (National) Industrial Design Park Entrepreneurship Service Center (無錫(國家)工業設計園創業服務中心), respectively.

TSREIC (L.P.)

TSREIC (L.P.) is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Shanghai Si Ke Rui Xin Private Equity Fund Management Partnership (Limited Partnership) (上海思科瑞新私募基金管理合夥企業(有限合夥)), which is in turn controlled and managed by its general partner, Qu Xubiao (瞿緒標), an independent third party.

TSREIC (L.P.) is owned as to approximately 0.99% by its general partner. The remaining partnership interest is owned by four limited partners, of which approximately 39.60%, 29.70%, 19.80% and 9.90% is owned by Chang City Xiangtai Enterprise Ltd. (昌都市祥泰實業有限公司), Beijing Huabo Kexun Information Technology Ltd. (北京華博科訊信息技術有限公司), Jiangle Hongxi Enterprise Management Advisory Centre (Limited Partnership) (將樂紅璽企業管理諮詢中心(有限合夥)) and Jie Xiangping (解香平), respectively. Each of the general partner and limited partners of TSREIC (L.P.) is an independent third party.

Chang City Xiangtai Enterprise Ltd. is owned as to 99% and 1% by Wang Le (王樂) and Li Hua (李華), respectively. Beijing Huabo Kexun Information Technology Ltd. is owned as to 99.17% and 0.83% by Cheng Yin (程瑩) and Liu Qingxia (劉青霞), respectively. Jiangle Hongxi Enterprise Management Advisory Centre (Limited Partnership) is owned as to 80% and 20% by Wang Wuyang (汪武揚) and Jiang Weimin (蔣偉民), respectively. Each of the above named individuals is an independent third party.

Shangshi Investors

Each of SSG and SSGA (collectively, the “**Shangshi Investors**”) is a limited partnership established under the laws of the PRC. Each of them is an equity investment fund controlled and managed by its general partner, Beijing Shang Shi Investment Management Co., Ltd. (北京尚勢投資管理有限公司), which is owned as to 85% by Cheng Yang (程楊) and 15% by Liu Fang (劉芳), who are independent third parties.

SSG is owned as to 0.20% by its general partner. The remaining partnership interest is owned by three limited partners, of which approximately 50.51%, 48.37% and 0.92% is owned by Luan Xiaohua (樂曉華), Shanghai Shiyi Enterprise Management Centre (上海焯易企業管理中心) and Shihezi Shangshi Equity Investment Management Partnership (Limited Partnership) (石河子市尚勢股權投資管理合夥企業(有限合夥)), respectively. Each of the general partner and limited partners of SSG is an independent third party.

Shanghai Shiyi Enterprise Management Centre is wholly-owned by Liu Yi (劉毅). Shihezi Shangshi Equity Investment Management Partnership (Limited Partnership) is indirectly wholly-owned by Cheng Yang (程楊). Each of the above named individuals is an independent third party.

SSGA is owned as to approximately 0.01% by its general partner. The remaining partnership interest is owned by seven limited partners, of which approximately 41.26%, 13.75%, 13.75%, 12.38% and 10.59% is owned by Yitai Equity Investment Management Ltd. (伊泰股權投資管理有限公司), Shenzhen Bifang No.1 Investment Centre (Limited Partnership) (深圳市畢方一號投資中心(有限合夥)), Shenzhen Qianhai Haotian Investment Management Partnership (Limited Partnership) (深

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圳市前海滙天投資管理合夥企業(有限合夥), He Guoshuai (賀國帥) and Wang Luhao (王路浩), respectively. Each of the above named individuals is an independent third party. The remaining two limited partners of SSGA each hold less than 10% of the interest therein.

Yitai Equity Investment Management Ltd. is wholly owned by Inner Mongolia Yitai Coal Company Ltd. (內蒙古伊泰煤炭股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 900948).

Shenzhen Bifang No.1 Investment Centre (Limited Partnership) is controlled by its general partner, Shenzhen Dehong Lianxin Private Equity Fund Management Co., Ltd. (深圳市德弘聯信私募股權基金管理有限公司), which is in turn owned as to 73.5%, 24.5% and 2% by Zhang Huancheng (章煥城), Liu Junhui (劉軍輝) and Yao Gaosheng (姚高升), who are independent third parties, respectively.

Shenzhen Qianhai Haotian Investment Management Partnership (Limited Partnership) is controlled by its general partner, Wang Yingying (王瑩瑩), who is an independent third party.

Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund

Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Hunan Xing Xiang New Industry Investment Fund Management Co., Ltd. (湖南興湘新興產業投資基金管理有限公司), which is ultimately controlled as to 90% by the State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government (湖南省人民政府國有資產監督管理委員會) and 10% by Hunan State-owned Investment Operation Co., Ltd. (湖南省國有投資經營有限公司).

Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund is owned as to 1.00% by its general partner. The remaining partnership interest is owned by two limited partners, of which 50% and 49% is owned by CITIC Securities Co., Ltd. (中信證券股份有限公司) and Hunan Xingxiang Investment Holding Group Ltd. (湖南興湘投資控股集團有限公司), respectively. Hunan Xingxiang Investment Holding Group Ltd. is ultimately controlled by State-owned Assets Supervision and Administration Commission of Hunan Province People's Government (湖南省人民政府國有資產監督管理委員會). Each of the general partner and limited partners of Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund is an independent third party.

Hualong Investment

Hualong Investment is a state-owned company with limited liability established under the laws of the PRC and principally engaged in equity investment, which primarily targets the emerging industry, including but not limited to semiconductors, information and high-end manufacturing industries. Hualong Investment is a wholly-owned subsidiary of Hualong Securities Co., Ltd. (華龍證券股份有限公司), which is ultimately controlled and owned by the Gansu Provincial Government of the PRC.

Wuxi Hechuang High-Tech

Wuxi Hechuang High-Tech is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Wuxi Hualaiwu Private Equity Management Ltd. (無錫華萊塢私募基金管理有限公司), which is owned as to 85% and 15% by Wuxi Innovation Investment Group Ltd. (無錫市創新投資集團有限公司) and Jiangsu Hualaiwu Culture Group Ltd. (江蘇華萊塢文化集團有限公司), respectively.

Wuxi Innovation Investment Group Ltd. is majority owned by Wuxi Guofa Capital Operation Co. Ltd., which is wholly owned by the Wuxi Municipal People's Government State-owned Assets Supervision and Administration Commission (無錫市人民政府國有資產監督管理委員會). Jiangsu Hualaiwu Culture Group Ltd. is indirectly controlled by Wuxi Binhu Finance Bureau (無錫市濱湖區財政局).

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Wuxi Hechuang High-Tech is owned as to approximately 0.50% by its general partner. The remaining partnership interest is owned by 5 limited partners, of which approximately 34.50%, 30.00%, 20.00%, 10.00% and 5.00% is owned by Wuxi Innovation Investment Group Co., Ltd. (無錫市創新投資集團有限公司), Jiangyin Binjiang Technology Venture Capital Investment Co., Ltd. (江陰濱江科技創業投資有限公司), Baoyin Gold Investment Co., Ltd. (寶銀金投資有限公司), Xu Qing (徐晴) and Xu Xiaoqing (許曉琴), respectively. Each of the general partner and limited partners of Wuxi Hechuang High-Tech is an independent third party.

Jiangyin Binjiang Technology Venture Capital Investment Co., Ltd. is wholly owned by Jiangyin Technology Xincheng Investment Management Co., Ltd. (江陰科技新城投資管理有限公司), which is indirectly wholly owned by the Jiangyin Municipal People's Government State-owned Assets Supervision and Administration Office (江陰市人民政府國有資產監督管理辦公室).

Baoyin Gold Investment Co., Ltd. is owned as to 77.07%, 17.98%, 3.69% and 1.26% by Zhuang Jianxin (莊建新), Zhuang Zhuojun (莊卓俊), Zhuang Zhuowei (莊卓瑋) and Wang Hongmei (王洪妹), who are independent third parties, respectively.

Dai Liyi

Dai Liyi is a natural person in the PRC. Mr. Dai is the director and general manager of Wuxi Kaiyuan Steel Pipe Enterprise Co., Ltd. (無錫開源鋼管實業有限公司) and Jiangsu Kaiyuan Steel Pipe Co., Ltd. (江蘇開源鋼管有限公司), both of which are principally engaged in the sales of steel pipe.

Gaolue Jucai

Gaolue Jucai is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Hangzhou Gao Lue Investment Management Co., Ltd. (杭州高略投資管理有限公司), which is owned as to approximately 77.13% by Li Jixiang (李繼祥) and seven other shareholders each holding less than 10% of the equity interest who are independent third parties.

Gaolue Jucai is owned as to approximately 0.20% by its general partner. The remaining partnership interest is owned by 8 limited partners, of which approximately 62.65% is owned by Guangzhou Tulongdao Investment Co., Ltd. (廣州圖隆道投資有限公司). Guangzhou Tulongdao Investment Co., Ltd. is owned as to 99% and 1% by Zhong Jingru (鍾景儒) and Guo Zhaoyuan (郭釗源), respectively. The remaining 7 limited partners of Gaolue Jucai each hold less than 10% of the interest therein, in which Ma Jiankang, a shareholder of a subsidiary of our Company, holds approximately 7.83% of the partnership interest of Gaolue Jucai. Guangzhou Tulongdao Investment Co., Ltd. is owned as to 99% and 1% by Zhong Jingru (鍾景儒) and Guo Zhaoyuan (郭釗源), who are independent third parties, respectively. Each of the general partner and limited partners of Gaolue Jucai is an independent third party.

KT Manufacturing I PE Fund

KT Manufacturing I PE Fund is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Jingtai Chuangye Investment Private Equity Fund Management (Hainan) Partnership (Limited Partnership) (景泰創業投資私募基金管理(海南)合夥企業(有限合夥)), which is owned as to 50%, 30%, 17% and 3% by Shenzhen Jingtai Lifeng Investment Development Ltd. (深圳市景泰利豐投資發展有限公司), Fu Tao (付濤), Yi Yadong (易亞東) and Deng Xianghui (鄧象輝), respectively. Shenzhen Jingtai Lifeng Investment Development Ltd. is controlled as to 80%, 9%, 5%, 5% and 1% by Zhang Yingbao (張英飈), Zhao Xuehua (趙學華), Shao Weibin (邵瑋斌), Xia Yang (夏陽) and Lu Weizhi (呂偉志), who are independent third parties, respectively.

HISTORY AND CORPORATE STRUCTURE

KT Manufacturing I PE Fund is owned as to approximately 0.05% by its general partner. The remaining partnership interest is owned by eight limited partners, of which approximately 36.35%, 13.63% and 13.63% is owned by Chen Wenhui (陳文暉), Tony Jinsong Wu and Deng Xianghui (鄧象輝), respectively. The remaining five limited partners of KT Manufacturing I PE Fund hold less than 10% of the interest therein. Each of the general partner and limited partners of KT Manufacturing I PE Fund is an independent third party.

Chengmingjia VC Fund and Hainan Cheng Mingrui

Each of Chengmingjia VC Fund and Hainan Cheng Mingrui is a limited partnership established under the laws of the PRC. Each of them is an equity investment fund controlled and managed by its general partner, Yi Yadong (易亞東) who is an independent third party.

Chengmingjia VC Fund is owned as to approximately 16.34% by its general partner. The remaining partnership interest is owned by 8 limited partners, of which approximately 17.65%, 13.07%, 13.07% and 13.07% is owned by Zhang Yingbiao (張英飈), Chen Jianshan (陳建珊), Deng Xianghui (鄧象輝), and Yin Huiqin (尹惠勤). The remaining 4 limited partners of Chengmingjia VC Fund each hold less than 10% of the interest therein. Each of the general partner and limited partners of Chengmingjia VC Fund is an independent third party.

Hainan Cheng Mingrui is owned as to 5.38% by its general partner. The remaining partnership interest is owned as to 26.88%, 21.51%, 13.98%, 10.75%, 10.75%, 5.38% and 5.38% by Deng Xianghui (鄧象輝), Guo Xuwei (郭學偉), Qianhai Chief Industrial (Shenzhen) Co., Ltd. (前海首席實業(深圳)有限公司) (which is ultimately controlled by Huaxia Group (華夏集團)), Deng Zengyu (鄧震宇), Huang Shuang (黃雙), Fu Tao (付濤) and Luo Yuan (羅源), respectively. Each of the general partner and limited partners of Hainan Cheng Mingrui is an independent third party.

Putian iRun II Capital

Putian iRun II Capital is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, (深圳市芯跑私募股權投資基金管理有限公司), which is owned as to 50%, 30%, 10%, 7% and 3% by Shenzhen Xin Pao Investment Consulting Co., Ltd. (深圳市芯跑投資諮詢有限公司), Shenzhen Xin Xiang Consulting Management Co., Ltd. (深圳市鑫想諮詢管理有限公司), Shenzhen Xin Ze Consulting Management Partnership (Limited Partnership) (深圳市鑫澤諮詢管理合夥企業(有限合夥)), Yang Jinye (楊盡業) and Deng Qiuyuan (鄧秋苑), who are independent third parties, respectively.

Shenzhen Xin Pao Investment Consulting Co., Ltd. is owned as to 20%, 20%, 20%, 20% and 20% by Tian Yuan (田園), Chen Mengjia (陳夢佳), Xu Zhiyan (徐志燕), Shi Wanwen (史萬文) and Li Lin (李林), respectively. Shenzhen Xin Xiang Consulting Management Co., Ltd. is owned as to 95% and 5% by Ke Xuhong (柯旭紅) and Yang Jinye (楊盡業), respectively. Shenzhen Xin Ze Consulting Management Partnership (Limited Partnership) is owned as to 60% and 40% by Lin Yongyu (林永育) and Yang Xiuye (楊盡業), respectively. Each of the above named individuals is an independent third party.

Putian iRun II Capital is owned as to 1.00% by its general partner. The remaining partnership interest is owned by 2 limited partners, of which 59.00% and 40.00% is owned by Shenzhen iRun II Enterprise Management Partnership (Limited Partnership) (深圳市芯跑二號企業管理合夥企業(有限合夥)) and Putian Financial Holding Co., Ltd. (莆田市金融控股有限公司), respectively. Each of the general partner and limited partners of Putian iRun II Capital is an independent third party.

Shenzhen iRun II Enterprise Management Partnership (Limited Partnership) is owned by 12 individuals each holding less than 15% of the interest therein. Putian Financial Holding Co., Ltd. is wholly owned by Putian Municipal Finance Bureau (莆田市財政局).

HISTORY AND CORPORATE STRUCTURE

Jinguan New Energy

Jinguan New Energy is a limited partnership established under the laws of the PRC. It is an equity investment fund controlled and managed by its general partner, Shanghai Jin Guan Investment Management Co., Ltd. (上海錦冠投資管理有限公司), which is owned as to 60%, 20% and 20% by Wang Zhixiang (王之祥), Fei Zhanjun (費占軍) and Liu Zhitong (劉志彤), who are independent third parties, respectively.

Jinguan New Energy is owned as to approximately 0.26% by its general partner. The remaining partnership interest is owned by 4 limited partners, of which approximately 52.36% and 36.91% is owned by Jiaxing Shenyi Venture Capital Partnership (L.P.) (嘉興申毅創業投資合夥企業(有限合夥)) and Wang Zhixiang (王之祥), who is an independent third party, respectively. Jiaxing Shenyi Venture Capital Partnership (L.P.) is indirectly controlled by the State-owned Assets Supervision and Administration Commission of Shanghai Municipal People's Government (上海市人民政府國有資產監督管理委員會). The remaining 2 limited partners of Jinguan New Energy each hold less than 10% of the interest therein. Each of the general partner and limited partners of Jinguan New Energy is an independent third party.

Tongxiang Puhua and Ningbo Puhua

Each of Tongxiang Puhua and Ningbo Puhua is a limited partnership established under the laws of the PRC. Each of them is an equity investment fund controlled and managed by its general partner, Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. (浙江普華天勤股權投資管理有限公司) (“**Puhua Tianqin**”), which is owned as to 72% and 28% by Shen Qinhua (沈琴華) (an independent third party) and Hangzhou Puhua Hengchuang Investment Partnership (Limited Partnership) (杭州普華恒創投資合夥企業(有限合夥)), respectively. Hangzhou Puhua Hengchuang Investment Partnership (Limited Partnership) is owned as to 85.71% and 14.29% by Xu Yanpei (許燕培) and Shen Qinhua, who are independent third parties, respectively.

Tongxiang Puhua is owned as to 1% by its general partner. The remaining partnership interest is owned as to 49.5% and 49.5% by Tongxiang Tongxi Industrial Co., Ltd. (桐鄉市桐溪實業有限公司) (which is wholly owned by Tongxiang City Wutong Subdistrict Government Service Center (桐鄉市梧桐街道政務服務中心)) and Tongxiang Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉普華鳳棲創業投資合夥企業(有限合夥)) (which is controlled and managed by Puhua Tianqin), respectively. Each of the general partner and limited partners of Tongxiang Puhua is an independent third party.

Ningbo Puhua is owned as to 2.75% by its general partner. The remaining partnership interest is owned by 24 partners, of which 12.5%, 10%, 10% and 10% is owned by Longyan Hi-Tech Puhua Investment Partnership (Limited Partnership) (龍巖高新普華投資合夥企業(有限合夥)), Ningbo Yongxin Fund Partnership (Limited Partnership) (寧波市甬欣基金合夥企業(有限合夥)), Ningbo Haishu Shenwang No. 1 Investment Partnership (Limited Partnership) (寧波市海曙神望壹號投資合夥企業(有限合夥)) and Zhejiang Industrial Fund Co., Ltd. (浙江省產業基金有限公司), respectively. Each of the remaining partners hold less than 10% interest. Each of the general partner and limited partners of Ningbo Puhua is an independent third party.

Longyan Hi-Tech Puhua Investment Partnership (Limited Partnership) is managed and controlled by its general partner, Hangzhou Puhua Tianji Equity Investment Management Co., Ltd. (杭州普華天驥股權投資管理有限公司), which is wholly owned by Puhua Tianqin.

Ningbo Yongxin Fund Partnership (Limited Partnership) is managed and controlled by its general partner, Ningbo Tongshang Fund Management Co., Ltd. (寧波通商基金管理有限公司), which is ultimately controlled by the Ningbo Municipal People's Government State-owned Assets Supervision and Administration Commission (寧波市人民政府國有資產監督管理委員會).

HISTORY AND CORPORATE STRUCTURE

Ningbo Haishu Shenwang No. 1 Investment Partnership (Limited Partnership) is managed and controlled by its general partner, Ningbo Lanhai Private Equity Fund Management Co., Ltd. (寧波市瀾海私募基金管理有限公司), which is ultimately controlled by Ningbo Haishu District State-owned Assets Management Center (寧波市海曙區國有資產管理中心).

Zhejiang Industrial Fund Co., Ltd. is indirectly wholly owned by Zhejiang Provincial Finance Bureau (浙江省財政廳).

Meaningful Investment from Sophisticated Independent Investors

We have received investments from five Pathfinder SIIs, namely Greenland Financial Holdings Group, Sai Fu Investors, Hon Universe Aviation Industry Fund, Nantong Jianghai Fund and Sichuan Cooperation Innovation Fund. For details of our SIIs “— Capitalisation of Our Company”.

As at the Latest Practicable Date, our SIIs held, in aggregate, approximately 28.14% in the total issued share capital of our Company. Upon the Listing, such SIIs will hold, in aggregate, no less than 20% in the total issued share capital of our Company, assuming that our expected market capitalisation at the time of Listing will be more than HK\$4 billion but less than HK\$15 billion.

Strategic benefits of the Pre-IPO Investments

Our Company was of the view that we could benefit from the insight for industry, the knowledge and experience of the Pre-IPO Investors and the additional funds provided by them. We obtained capital for development and expansion of our business. Moreover, their investments showed their confidence in our Group’s operations and served as an endorsement of our Group’s performance and prospects.

Compliance with the Guide

On the basis that (i) the first day of trading of the Company’s H Shares is expected to take place at least 120 clear days after the last round of pre-IPO investment; and (ii) the redemption right granted to the pre-IPO investors had been suspended prior to the submission of the application for the Listing and all special rights will be terminated upon Listing, the Joint Sponsors are of the view that the pre-IPO investments are in compliance with Chapter 4.2 of the Guide.

PRC Legal Adviser’s Confirmation

As advised by our PRC Legal Adviser, the equity transfers and increases in the registered capital in respect of our Company and our Company’s principal subsidiaries, as described above have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including our Pre-IPO Investors) are prohibited from disposing of any of the Shares held by them.

HISTORY AND CORPORATE STRUCTURE

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

Name	Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering	Lock-up period
Key persons and their close associates				
Mr. Zhan	Founder, chairman of our Board and executive Director	76,884,535	24.38%	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date
Mr. Han Songguang (韓松光)	Executive Director and general manager of intelligent vehicle link business unit	3,781,625	1.20%	
Mr. Su Xiaosheng (蘇曉生)	Chief scientist	12,047,500	3.82%	
Ruiyuan Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	10,827,935	3.43%	
Shenzhen Ruiyuan Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	10,827,935	3.43%	
Ruiyitong Technology Partnership (note 1)	Share incentive platform controlled by Mr. Zhan	2,733,290	0.87%	
Pathfinder SIIs				
Greenland Financial Holdings Group	Pathfinder SII	14,060,463	4.46%	Commencing on the date of this prospectus and ending on expiry of six months from the Listing Date
Nanjing SAIF and SAIF Yi'an	Pathfinder SII	10,113,925	3.21%	
Nantong Jianghai Fund	Pathfinder SII	9,242,730	2.93%	
Shanghai SASAC Investors:				
Hon Universe Aviation Industry Fund	Pathfinder SII	9,717,910	3.08%	
Sichuan Cooperation Innovation Fund	Pathfinder SII	7,326,270	2.32%	

Note:

- (1) The disposal restrictions pursuant to Rule 18C.14 of the Listing Rules include the indirect interests in our Shares held by the general partner and limited partners in the Company through these share incentive platforms.

Save as disclosed above, there is no other executive Director, senior management, and/or key personnel whose shareholding should be subject to lock-up pursuant to Chapter 2.5 of the Guide.

SHARE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, we had adopted share incentive scheme (the “**Share Incentive Scheme**”), to award the partnership interest in our share incentive platforms to the scheme participants. Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and Ruiyitong Technology Partnership were established as our share incentive platforms (collectively, the “**Share Incentive Platforms**”). The sole general partner of Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and Ruiyitong Technology Partnership is Mr. Zhan.

As at the Latest Practicable Date, Mr. Zhan held approximately 14.84%, 0.01% and 4.62% of the partnership interest in Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and Ruiyitong Technology Partnership, respectively.

According to the Share Incentive Scheme and the respective grant agreements, our certain employees were granted awards and registered as the limited partners of relevant share incentive platforms upon grants or exercise of their awards. All management powers of the Share Incentive Platforms are exercised by their respective sole general partner, according to the respective partnership agreements, whereas the relevant employees as the limited partners of such share incentive platforms are entitled to the economic interest.

The grants are generally subject to a four-year vesting period from the date of adoption of the Share Incentive Scheme. Any dividends received by the Share Incentive Platforms from our Company may, after deduction of relevant costs and expenses, be distributed to grantees in proportion to their partnership interests. If a grantee ceases to be an employee, he or she is required, unless otherwise agreed by the general partner, to transfer all partnership interests to other employee(s) of our Company on terms agreed between the parties. See “Appendix IV — Statutory and General Information — E. Share Incentive Scheme” for a summary of the principal terms of the Share Incentive Scheme and the grant agreement.

Shenzhen Ruiyuan Technology Partnership

Shenzhen Ruiyuan Technology Partnership was established as a limited partnership under the laws of the PRC on 10 April 2019. As at the Latest Practicable Date, Shenzhen Ruiyuan Technology Partnership held 3.91% of our Shares, and there were 20 partners in Shenzhen Ruiyuan Technology Partnership which included existing and former employees of our Group. None of the limited partners held 30% or more of the partnership interest in Shenzhen Ruiyuan Technology Partnership as at the Latest Practicable Date.

Ruiyuan Technology Partnership

Ruiyuan Technology Partnership was established as a limited partnership under the laws of the PRC on 30 April 2019. As at the Latest Practicable Date, Ruiyuan Technology Partnership held 3.91% of our Shares, and there were 26 partners in Ruiyuan Technology Partnership which included existing and former employees of our Group. None of the limited partners held 30% or more of the partnership interest in Ruiyuan Technology Partnership as at the Latest Practicable Date.

Ruiyitong Technology Partnership

Ruiyitong Technology Partnership was established as a limited partnership under the laws of the PRC on 28 November 2024. As at the Latest Practicable Date, Ruiyitong Technology Partnership held 0.99% of our Shares, and there were 9 partners in Ruiyitong Technology Partnership which included existing employees of our Group. Save for Guo Chenxi (郭晨曦) who is a deputy general manager of our Company and held 45.82% of the partnership interest of Ruiyitong Technology Partnership, none of the other limited partners held 30% or more the partnership interest in Ruiyitong Technology Partnership as at the Latest Practicable Date.

HISTORY AND CORPORATE STRUCTURE

PUBLIC FLOAT

The 31,565,289 Domestic Shares that will not be converted into H Shares (representing approximately 10.03% of our total issued Shares upon the Listing) will not be considered as part of the public float. Of the 245,640,616 H Shares to be converted from Domestic Shares:

- (a). 120,884,520 H Shares representing approximately 39.60% of our total issued Shares upon the Listing will not be counted towards the public float as such H Shares are held by Mr. Zhan, Mr. Su Xiaosheng, Mr. Han Songguang, Ms. Chi Chang, Ruiyuan Technology Enterprise, Shenzhen Ruiyuan Technology Enterprise and Ruiyitong Technology Enterprise, being the core connected persons of our Company; and
- (b). save as disclosed above, none of the existing Shareholders is a core connected person of our Group. Therefore, the remaining 124,756,096 H Shares to be converted from the Domestic Shares held by the other existing Shareholders together with 28,087,000 H Shares to be issued pursuant to the Global Offering, will be counted towards the public float. For details of the number of Shares held by each of the aforesaid public existing Shareholders, please refer to the paragraph headed “Capitalisation of our Company” in this section.

As a result, immediately upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, taking into account 28,087,000 H Shares to be offered pursuant to the Global Offering, an aggregate of H Shares will count towards the public float of our Company, representing 50.06% of the total issued Shares of our Company.

It is expected that upon Listing, based on the Offer Price of HK\$21.66 per H Share, the market value of the H Shares that are held by the public is approximately HK\$3,310.6 million, respectively.

FREE FLOAT

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this prospectus shall not be counted towards the free float of the H Shares of the Company at the time of Listing.

The Offer Shares to be subscribed by all the other investors participating in the Global Offering are not subject to any disposal restriction. It is expected that immediately following completion of the Listing, a market capitalisation of approximately HK\$608.4 million of the H Shares listed on the Stock Exchange are not subject to such disposal restrictions at the time of the Listing (assuming an Offer Price of HK\$21.66 per Offer Share). Accordingly, our Company will be able to satisfy the free float requirements under Rule 8.08A (as amended and replaced by Rule 19A.13C(1)) of the Listing Rules.

HISTORY AND CORPORATE STRUCTURE

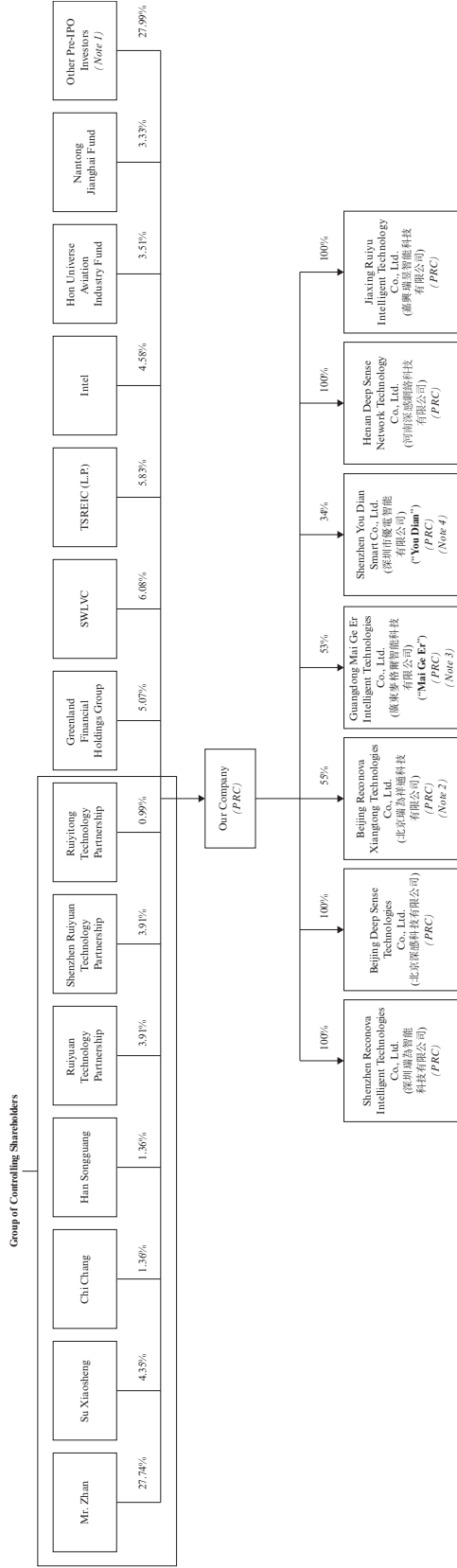
CAPITALISATION OF OUR COMPANY

The following table sets forth our shareholding structure as at the Latest Practicable Date and immediately upon the Listing:

Name of Shareholder	Number of Shares as at the Latest Practicable Date	Ownership percentage as at the Latest Practicable Date (%)	Number of H Shares converted and/or held upon Listing	Approximate percentage of H Shares in the total issued share capital of our Company upon Listing	Number of Domestic Shares upon Listing	Approximate percentage of Domestic Shares in the total issued share capital of our Company upon Listing
Mr. Zhan	76,884,535	27.74	76,884,535	25.18	—	—
Su Xiaosheng (蘇曉生)	12,047,500	4.35	12,047,500	3.95	—	—
Chi Chang (遲暢)	3,781,700	1.36	3,781,700	1.24	—	—
Han Songguang (韓松光)	3,781,625	1.36	3,781,625	1.24	—	—
<i>Shares incentive platforms</i>						
Shenzhen Ruiyuan Technology Partnership	10,827,935	3.91	10,827,935	3.55	—	—
Ruiyuan Technology Partnership	10,827,935	3.91	10,827,935	3.55	—	—
Ruiyitong Technology Partnership	2,733,290	0.99	2,733,290	0.90	—	—
<i>Shanghai SASAC Investors</i>						
Hon Universe Aviation Industry Fund	9,717,910	3.51	9,717,910	3.18	—	—
Sichuan Cooperation Innovation Fund	7,326,270	2.64	7,326,270	2.40	—	—
Greenland Financial Holdings Group	14,060,463	5.07	10,784,332	3.54	3,276,131	1.07
SWLVC	16,857,145	6.08	16,857,145	5.52	—	—
TSREIC (L.P.)	16,161,845	5.83	11,313,292	3.71	4,848,553	1.58
Intel	12,688,175	4.58	12,688,175	4.16	—	—
Nantong Jianghai Fund	9,242,730	3.33	9,242,730	3.03	—	—
<i>Sai Fu Investors</i>						
Nanjing SAIF	8,101,395	2.92	8,101,395	2.65	—	—
SAIF Yi'an	2,012,530	0.73	2,012,530	0.66	—	—
CITIC Securities Investment	8,101,395	2.92	8,101,395	2.65	—	—
<i>Shangshi Investors</i>						
SSG	3,462,030	1.25	—	—	3,462,030	1.13
SSGA	4,050,700	1.46	—	—	4,050,700	1.33
Hunan Xingxiang Zhongzheng Xinying Equity Investment Fund	6,076,050	2.19	3,375,582	1.11	2,700,468	0.88
Shenzhen Investment Holdings Capital	6,751,165	2.44	6,751,165	2.21	—	—
Hualong Investment	5,698,910	2.06	5,698,910	1.87	—	—
Dai Liyi (戴力毅)	2,950,050	1.06	2,950,050	0.97	—	—
Wuxi Hechuang High-Tech	2,522,640	0.91	2,522,640	0.83	—	—
Gaolue Jucai	2,504,480	0.90	2,504,480	0.82	—	—
KT Manufacturing I PE Fund	1,620,280	0.58	1,620,280	0.53	—	—
Chengmingjia VC Fund	1,565,300	0.56	1,565,300	0.51	—	—
Putian iRun II Capital	1,350,235	0.49	1,350,235	0.44	—	—
Jinguan New Energy	272,280	0.10	272,280	0.09	—	—
Tongxiang Puhua	5,365,141	1.94	—	—	5,365,141	1.76
Ningbo Puhua	5,365,141	1.94	—	—	5,365,141	1.76
Hainan Cheng Mingrui	2,497,125	0.90	—	—	2,497,125	0.82
Global Offering Shareholders	—	—	28,087,000	9.20	—	—

CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares:



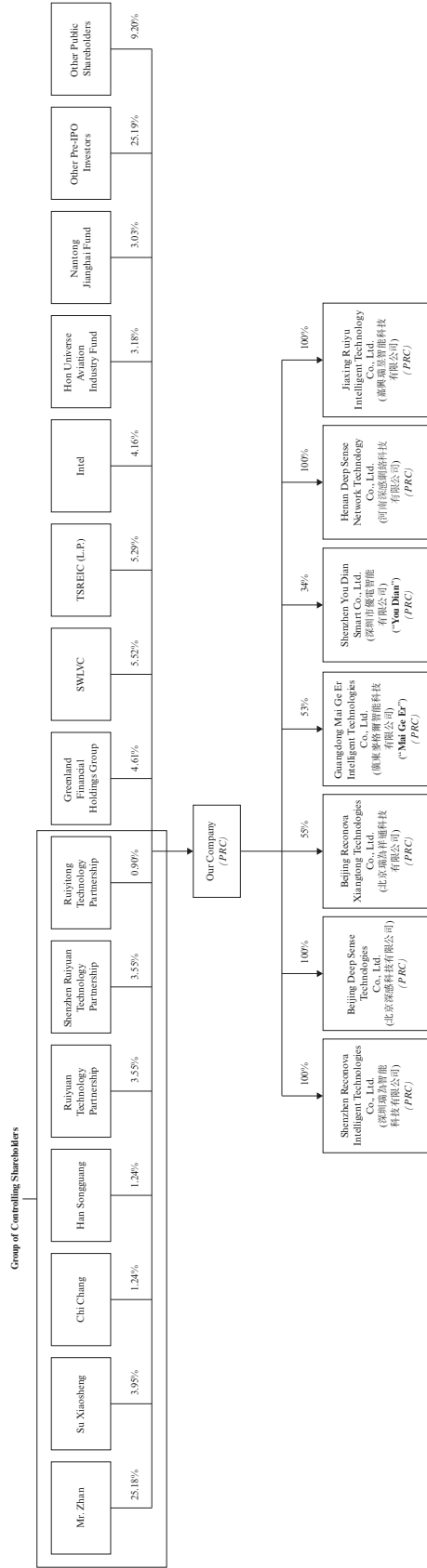
Notes:

- (1) Other Pre-IPO Investors represented pre-IPO investors holding less than 3% of our equity interests as at the Latest Practicable Date. For the details of the background information of these other Pre-IPO Investors, see “— Pre-IPO Investments” above.
 - (2) The remaining equity interests were held as to 27%, 15% and 3% by Duan Yadong (段亚冬), Li Peiwei (李佩伟) and Lin Yabing (林亚兵), respectively. Save for being a shareholder of Beijing Reconova Xiangtong Technologies Co., Ltd., each of them is an independent third party.
 - (3) The remaining equity interests were held as to 33%, 9% and 5% by Ma Jiankang (马健康), Shanghai Youdi Technologies Co., Ltd. (上海优迪科技有限公司) (one of our customers during the Track Record Period) and Xiong Hongwu (熊洪武), respectively. Shanghai Youdi Technologies Co., Ltd. is owned as to 43.68% by Zhongcai Engineering Management Consulting (Shanghai) Co., Ltd. (零采工程管理咨询(上海)有限公司) (which is owned as to 50% and 50% by Zhu Gongwu (朱恭武) and Xu Lina (徐丽娜)), 34.49% by Shenzhen Youbo Life Technology Co., Ltd. (深圳市优博生活科技有限公司) (of which Wang Yu (王宇) is the single largest shareholder), 18% by Shanghai Youdi Yunji Enterprise Management Partnership (Limited Partnership) (上海优迪云际企业管理合伙企业(有限合伙)) (of which Zhu Gongwu is the single largest shareholder) and 3.83% by Zhu Gongwu.
- Save for being a shareholder of Mai Ge Er, each of Shanghai Youdi Technologies Co., Ltd. (including its ultimate beneficial owners) and Xiong Hongwu is an independent third party. Ma Jiankang is a director of Mai Ge Er and You Dian.

- (4). The remaining equity interests were held as to 30%, 19% and 17% by Shun Shi (Shenzhen) Investment Consulting Partnership (Limited Partnership) (順獅(深圳)投資諮詢合夥企業(有限合夥)), Shenzhen You Bo Life Technology Co., Ltd. (深圳市優博生活科技有限公司) and Ma Jianshang, respectively.
- Shun Shi (Shenzhen) Investment Consulting Partnership (Limited Partnership) is owned as to 70% and 30% by Li Jianyun (李健韻) and Li Linli (李林麗), respectively. Shenzhen You Bo Life Technology Co., Ltd. is owned as to 41.40%, 19.32% and 11.91% by Wang Yu (王宇), Shenzhen Youneng No. 1 Technology Partnership (Limited Partnership) (深圳市優能壹號科技合夥企業(有限合夥)) (which is owned as to 99.5% and 0.5% by Li Zhengbang (李正邦) and Wang Ping (王平)) and Youjieja Technology (Shenzhen) Partnership (Limited Partnership) (優潔家科技(深圳)合夥企業(有限合夥)) (which is owned as to 90% and 10% by Wang Ping and Zhang Hui (張輝)), respectively. The remaining shareholding is owned by 6 shareholders with each holding less than 10% interest therein and each of them is an independent third party.
- Save for being a shareholder of You Dian, each of Shun Shi (Shenzhen) Investment Consulting Partnership (Limited Partnership), Shenzhen You Bo Life Technology Co., Ltd. and their respective ultimate beneficial owners is an independent third party.
- Pursuant to the concert party agreement entered into between our Company and Ma Jianshang, our Company and Ma Jianshang had agreed to act in concert in exercising shareholders' rights pertaining to You Dian and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of You Dian. In the event of any deadlock between our Company and Ma Jianshang on the exercise of voting rights in You Dian, the decision of our Company shall prevail.
- (5). The percentage of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not be equal to 100% due to rounding.

HISTORY AND CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares:



Note:

(1). The percentage of the Shares are rounded to the nearest two decimal places, and the total number of the percentages may not be equal to 100% due to rounding.

OVERVIEW

Who We Are

We are an AI company that provides visual AI technologies and products for enterprise clients. Integrating our self-developed vision large models, deep learning related technologies, multi-spectral imaging technologies, and software-hardware co-design capabilities, we offer a series of visual perception, visual cognition and visual reasoning intelligence products that are deeply applied across different scenarios, including civil aviation, commercial spaces, and driving safety. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first in enterprise visual AI product market for civil aviation in China, with a market share of 8.7%, and ranked fourth in enterprise visual AI product market for commercial space in China, with a market share of 1.7%. Our revenue increased from RMB242.4 million in 2023 to RMB395.2 million in 2024, and further grew to RMB443.0 million in 2025.



Note:

(1) Calculated as at 31 December 2025.

Our Core Technologies

Linking AI technologies with software and hardware, we have established a mature productisation capability and end-to-end delivery competence. Our core technological capabilities are structured into three levels:

Base technology. Centred on computer vision technologies, we have developed three foundational capabilities: computer vision algorithms, optical imaging control, and large-scale datasets. Our computer vision algorithms cover traditional image processing, traditional deep learning vision algorithms and VLMs, which meet the varying accuracy and efficiency needs of different enterprise scenarios. Our optical imaging technology supports high dynamic range and multi-spectral imaging, ensuring consistent image quality under different lighting conditions. We have also built enterprise-grade vision datasets through data collection, simulation, and synthesis to support multi-scenario applications and model training.

Fusion technology. We established a dedicated team for algorithms, optics, hardware, and data. Building on our base technology, we drive integrated innovation across multiple core technologies. Through integrated technologies such as AI-ISP, model quantisation and MoE, we enhance the overall performance and technical cost efficiency of our visual AI capabilities.

Building block technology. Building on the base technology and fusion technology, we have developed core components including a cognition and decision engine, optical imaging systems, interaction and execution units, and a data middle platform. By reusing and collaborating these components, we can rapidly develop visual intelligence agents with diverse functionalities, improving R&D efficiency and reducing overall development costs.

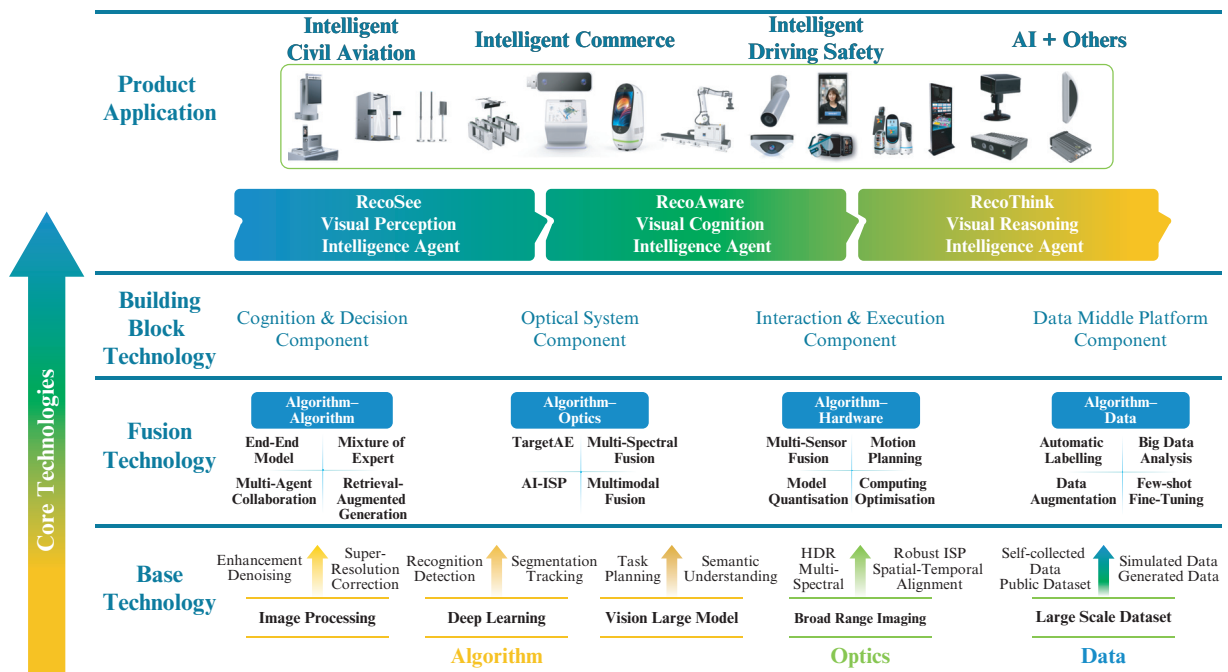
BUSINESS

Building on the base technology, fusion technology and building block technology, we have developed a comprehensive technology stack comprising three major series of intelligence agents:

RecoSee, which “sees” clearly through broad range imaging and object detection. It delivers high-definition imaging under complex lighting and weather conditions, enabling real-time detection of ultra-small and multiple objects.

RecoAware, which “understands” through object recognition and behavioural analysis. It accurately identifies people, vehicles, and objects, analyses their attributes, and performs cross-domain tracking and behaviour understanding of multiple targets.

RecoThink, which “thinks” through reasoning and planning. It enables visual semantic understanding in open-ended scenarios and supports end-to-end decision-making, reasoning and task planning.



Our Market Opportunities

According to Frost & Sullivan, the market size of enterprise visual AI product in China increased from RMB14.9 billion in 2021 to RMB40.5 billion in 2025, with a CAGR of 28.4% from 2021 to 2025, and is expected to reach RMB162.7 billion in 2030, with a CAGR of 32.1% from 2025 to 2030.

Intelligent Civil Aviation: The rapid growth of the “intelligent civil aviation” market is driven by increasing demand for visual AI solutions to enhance security, operational efficiency, and customer experience. The market for visual AI products in civil aviation presents substantial opportunities for future expansion, both in China and overseas. In China, the market grew from RMB1.0 billion in 2021 to RMB2.0 billion in 2025, at a CAGR of 18.9% from 2021 to 2025, and is expected to reach RMB6.3 billion in 2030, at a CAGR of 25.8% from 2025 to 2030. Despite this rapid expansion, the market penetration rate of China’s “intelligent civil aviation” products and solutions remained relatively low at less than 10% as of 2025, suggesting a significant untapped market.

According to the “National Comprehensive Three-dimensional Transportation Network Planning Outline” (《國家綜合立體交通網規劃綱要》) issued by the State Council, the number of civil transport airports in China is expected to surpass 400 by 2035. Domestic airport construction will continue to maintain rapid growth. As China’s civil aviation industry expands rapidly, visual AI products are expected to play a vital role in enhancing safety, boosting operational efficiency, reducing costs, and delivering personalised and intelligent services that improve passenger experience and drive long-term market growth.

Most airports in China undergo equipment upgrades and replacement cycles every five years, creating regular windows of opportunity for technology updates and re-entry into the market. From a product lifecycle perspective, our core products are currently in the early to mid-stages of commercial maturity, leaving considerable room for further technological advancement. Supported by favourable policies and growing demand for intelligent airport systems, we expect broader nationwide deployment of visual AI solutions.

In international markets, the demand for visual AI solutions in civil aviation is also accelerating. According to Frost & Sullivan, the market size of overseas visual AI products for civil aviation grew from USD1.3 billion in 2021 to USD3.4 billion in 2025, with a CAGR of 27.2% from 2021 to 2025, and is expected to reach USD12.0 billion in 2030, with a CAGR of 28.7% from 2025 to 2030. However, overall market penetration, especially in emerging regions such as Southeast Asia and Middle East, remains low. Drawing on our deployment experience in large domestic airports, we have proven the scalability and reliability of our solutions, establishing a solid foundation to deliver civil aviation visual AI solutions to international markets.

Intelligent Commerce: By the end of 2025, there were approximately 6,000 shopping malls in China. The market potential of intelligent commerce is expanding rapidly, with the market size of enterprise visual AI products for commercial space in China increasing from RMB1.1 billion in 2021 to RMB3.2 billion in 2025, at a CAGR of 30.6% from 2021 to 2025, and is expected to exceed RMB14.5 billion in 2030, at a CAGR of 35.3% from 2025 to 2030. However, current shopping mall systems are fragmented and have a relatively low level of intelligence, facing challenges such as data silos, disconnected online and offline experiences, and low efficiency in managing large volumes of data. To address these issues, the SINHON Business System integrates artificial intelligence (AI) and business intelligence (BI), using LLM to link data collected from terminals and filtered through processing with data from various business subsystems. By applying the reasoning and analytical capabilities of large models, it enables full-chain intelligent operations from “comprehensive perception” and “in-depth analysis” to “precise decision-making”.

Intelligent Driving Safety: According to Frost & Sullivan, the market size of enterprise visual AI products for driving safety in China increased from RMB0.7 billion in 2021 to RMB2.0 billion in 2025, at a CAGR of 30.0% from 2021 to 2025, and is expected to exceed RMB8.9 billion in 2030, at a CAGR of 34.8% from 2025 to 2030. China’s driving safety industry has long faced severe safety challenges. Most traffic accidents involving freight vehicles are attributed to human factors such as fatigue driving, being distracted, blind spots, and speeding. Traditional safety management relies on manual inspections and post-incident accountability, making it difficult to achieve real-time risk warning and intervention. To address these challenges, we have developed the Recadas Safety Risk Management Platform, which adopts a “terminal + cloud” collaborative architecture. The Driving Safety Analysis Device detects 12 types of dangerous driving behaviours, while the cloud-based platform dynamically scores risks using multi-dimensional data, building a comprehensive risk prevention and control system for driving safety scenarios.

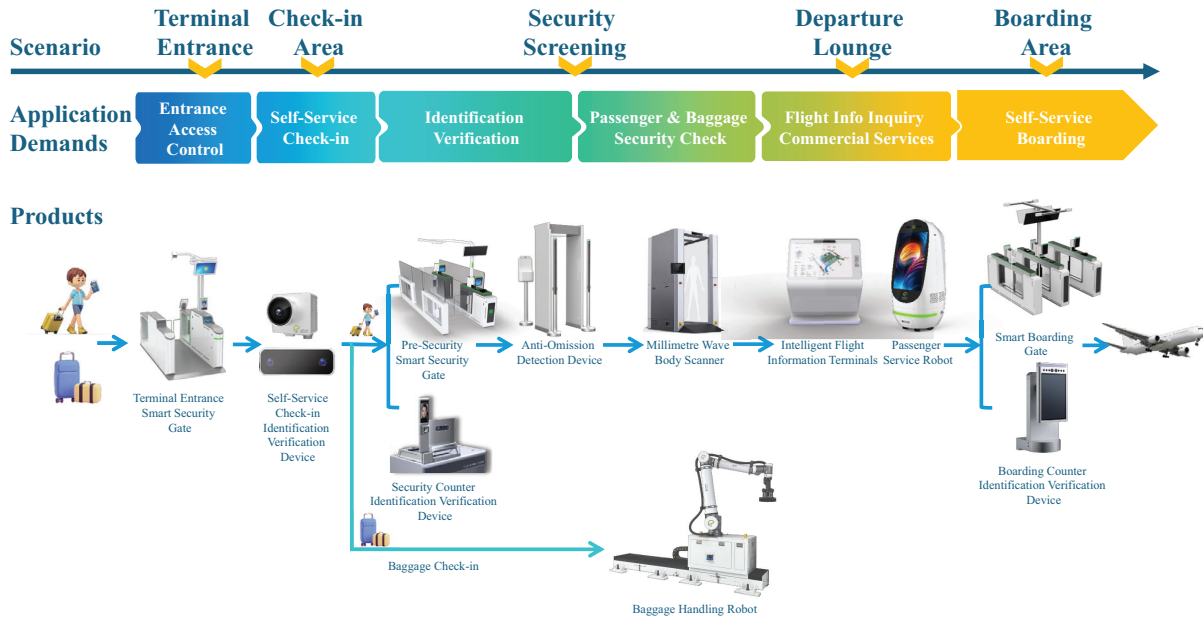
Our Products and Solutions

Intelligent Civil Aviation

Our products cover the entire passenger journey including check-in, security screening, boarding and customer service. Our main offerings include Tickway series of smart access control devices, WinGuard series of smart security screening systems, MrRay series of passenger service

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robots, and AntOne series of baggage transfer robots, which focus on the three core values of high safety, high efficiency, and high passenger satisfaction in civil aviation.



Intelligent Commerce

Leveraging a triune technological foundation of “artificial intelligence (AI) + business intelligence (BI) + large language model (LLM)”, our SINHON Business System standardises data formats to ensure data consistency across business systems, and enables data integration, cleansing, and analysis, as well as dynamically matches people, products, and spaces through AI algorithms to support precision marketing. The AI engine processes video data captured by front-end terminals and converts it into structured data that can be utilised by the BI engine enabling analytics and visualisation to provide timely, actionable insights and support the digital transformation of commercial operations.

Intelligent Driving Safety

Our Driving Safety Analysis Device detects dangerous driving behaviours, such as fatigue driving, smoking, mobile phone use and lane departures, and the cloud-based risk management platform performs secondary verification of alerts and assesses driving risk using a multi-modal recognition model. By integrating multi-dimensional data such as driving duration, warning frequency, historical routes, and weather and road types, it generates real-time risk scores. For high-risk vehicles, the system automatically issues safety intervention commands and coordinates with the platform user’s service team for timely manual intervention.

Our Technology and Product Features

Safety. We possess capabilities in abnormal access behaviour detection and identity verification. For example, at Lanzhou Airport in 2024, our Tickway Boarding Gates supported the secure passage of approximately 6 million passengers, with a false alarm rate below 0.015% and zero missed detections throughout the year. Our self-developed identity verification technology based on NovaID achieved an accuracy rate of 99.82%, and ranked among the global top 5 in the 2021 ICCV liveness detection challenge. In addition, our driving safety products have been deployed across more than 500,000 freight vehicles, covering a cumulative mileage of over 7 billion kilometres.

Intelligence. Based on NovaDet, NovaTrack, and the QTune VLM, we have achieved multi-object detection and tracking, attribute analysis, global semantic understanding, and autonomous decision-making, all with support for lightweight deployment on edge devices. In 2025, the QTuneVL series ranked among the Top 4 globally on the OpenCompass lightweight model leaderboard, and completed algorithm filing with the Cyberspace Administration of China in November 2025.

Efficiency. We focus heavily on edge-side AI and computational efficiency optimisation. Our self-developed “NeuEdge” architecture enhances chip utilisation while reducing power consumption and operating costs. The Tickway boarding gate improves passenger throughput time from approximately 10 seconds per person to 7 seconds per person, while reducing on-site staffing requirements from 2–3 people to 1–2. In addition, in August 2025, we launched the AntOne Baggage Handling Robot to enhance baggage handling efficiency in airports.

Reliability. Our optical tuning technology enables stable and reliable imaging across a full range of lighting conditions, from intense light to ultra-low-light environments. We have established a comprehensive end-to-end reliability management system. For example, Tickway Boarding Gate has a mean cycles between failures (MCBF) exceeding 60 million, supporting 24/7 operation.

OUR STRENGTHS

Core technologies and full-stack technology chain

We have established a core technology system and full-stack technology chain covering base technology, fusion technology, and building block technology. Leveraging our continued accumulation in sectors such as civil aviation, commerce, and driving safety, we continuously optimise our core capabilities, with multiple technical indicators having reached industry-leading levels.

- **Base technology:** We have independently developed deep learning frameworks NovaDet, NovaID, and NovaTrack, which support an integrated process of “training-inference-quantisation”. We have also developed the QTune VLM framework, which supports fusion of heterogeneous sensors. In addition, we have developed broad range imaging technologies based on high dynamic range and multi-spectral fusion, and have built a large-scale multi-scenario visual datasets. These capabilities support all-weather imaging, multi-object and small-object detection and recognition, visual semantic understanding, and task planning. We have achieved industry-leading performance in areas such as object detection and recognition algorithms, spoofing detection algorithms, person ReID algorithms, and general-purpose VLMs. In November 2025, the proprietary Reconova QTune VLM has successfully completed algorithm filing with the Cyberspace Administration of China.
- **Fusion technology:** We achieve collaborative optimisation across algorithms, optics, hardware, and data, which enhances the overall cost-effectiveness of our technologies. We own proprietary AI-ISP and TargetAE (auto exposure) technologies, enabling full-colour imaging under low-light conditions and optimised imaging for specific targets. Moreover, by adapting to edge chip computing power, we support efficient and low-cost model deployment.
- **Building block technology:** We adopt a modular design approach, forming cognition and decision, optical system, interaction and execution, and data middle platform. These components form an intelligence agent with collaborative closed-loop capabilities in perception, decision, execution, and data analytics. This system supports the efficient and reliable operation of a wide range of visual AI products.

Our three layers of core technologies can be independently optimised or advanced collaboratively to enhance overall practical value of our technologies and provide users with safe, intelligent, efficient, and reliable product solutions.

We play an active role in setting industry technical standards and have established a multi-level AI standard system. We have led or participated in the development of 22 AI national standards and various local, group and industry standards. Moreover, aligning with national innovation strategy,

we have led or participated in 11 major scientific research projects at the national, provincial, and municipal levels. These efforts have achieved synergistic breakthroughs in both technological research and industrial transformation.

Recognised visual AI brand in civil aviation, commercial, and driving safety sectors

We are committed to the intelligent transformation in civil aviation as we strive to build a full-chain market leadership position. Leveraging our expertise in AI vision technologies, we have become a leading provider of intelligent equipment and systems for China's civil aviation industry. According to the Frost & Sullivan Report, we ranked first in enterprise visual AI product market for civil aviation in China, in terms of revenue in 2025, with a market share of 8.7%. The WinGuard Identity Verification Device pioneered China's first fully paperless, contactless airport access mode, capable of operating year-round in all lighting and weather conditions with zero safety incidents. Tickway Access Gates integrate advanced features such as visual tailgating prevention, impersonation detection, infant-in-arms recognition, wheelchair and stroller user identification, and early intervention for special needs passengers, enabling automated anomaly detection and proactive guidance for passengers requiring assistance.

In the commercial vertical, as of 2025, we ranked fourth in enterprise visual AI product market for commercial space in China by revenue, with a 1.7% market share. We serve 95 enterprise clients, including 20 of the Top 40 commercial real estate developers in China, with 30% of our clients having cooperated with us for over four years. Our system is deployed in landmark shopping malls and complexes in Beijing, Shanghai, Chongqing, and Wuhan operated by industry leaders. The system covers key aspects of retail and mall operations, including customer analytics, marketing and promotions, store leasing, facility management, and staff management, providing comprehensive support for both online and offline operations and helping to improve customer experience from store entry to purchase.

Leveraging the Recadas Safety Risk Management Platform, we provide automated driver assessments and fleet safety scoring to support risk control and pricing. Core technologies such as TargetAE optics and NeuEdge computing ensure accurate visual recognition in complex conditions, helping reduce false positives and enhance service efficiency, making us a trusted partner in government-led driving safety programs.

Mature product commercialisation capabilities and R&D delivery system

Based on our deep understanding of industry scenarios and user needs, we identify demand, and leverage our AI technologies, software-hardware R&D capabilities, and end-to-end delivery capabilities to develop intelligent product solutions.

We have established an IPD management system to support efficient collaboration across the entire product lifecycle. The framework guides product development from market demand analysis, concept validation, development testing, to product solution delivery. Led by the product department, our product development process integrates technical, product, market and delivery considerations to ensure alignment with customer needs. The IPD system contributed to improved product quality and R&D efficiency. We have achieved mass delivery for numerous complex products. As at 31 December 2025, we sold over 500,000 safety driving assistance products for freight vehicles, delivered more than 1,600 TickWay Boarding Gates and achieved over 15,000 hours of continuous operations without failure.

We have built a reusable foundation for intelligence agent technology, and launched three core intelligence agents, namely, RecoSee, RecoAware, and RecoThink. This system adopts a "core engine + scenario plug-in" architecture, facilitating cross-industry and cross-scenario technology reuse and rapid iteration. It has significantly improved R&D efficiency of core products such as smart boarding gates and robots, while also enabling the accumulation of modular and transferable technology components adaptable across different products and application scenarios.

A management team with profound industry experience and outstanding technical R&D capabilities

We are led by a management team with deep industry experience and strong technical research and development capabilities. Our founder, Mr. Zhan, has over 20 years of experience in the technology industry, and has received numerous awards for his entrepreneurial achievements and leadership. Our chief technology officer, Dr. He Yifan, has extensive expertise in image and video algorithm optimisation and high-performance embedded chip architecture design. Our director of algorithms, Dr. Jia Baozhi, has over 10 years of R&D experience in computer vision. Our general manager of the commercial robotics division, Mr. Shi Miaohong, has extensive experience in product development and commercialisation of AI service robotics. Our chief scientist, Dr. Su Xiaosheng, has approximately 20 years of experience in machine learning algorithm research. Under their leadership, we have developed multiple core patented inventions, received numerous domestic and international awards, and driven innovation in product development and core technologies. See “Directors and Senior Management”.

Our core R&D team has extensive experience in AI algorithms, electronic engineering, and software and information engineering. As at 31 December 2025, our R&D team comprised over 100 experts and researchers. In addition, we have a sales and marketing team with industry experience in areas such as AI, information technology, and industrial automation. On average, the team members have over 10 years of industry experience, particularly in the B2B enterprise market, and excel at identifying and addressing customer pain points through tailored sales and service delivery. The sales and marketing team has established a mature customer information management system and standardised service processes, with proven capabilities in providing full-cycle customers services and driving commercial value transformation.

OUR STRATEGIES

Deepening vertical industry expertise and expanding product portfolio to drive business growth

We regard deep understanding of vertical industries and insights into user pain points as one of our core competitive advantages. Through continuously accumulating delivery experience, user feedback, and scenario data in existing vertical industries, we strengthen our capabilities in rapid iteration and scenario-based customisation and expand into more application scenarios, such as robotic products for automated facility inspection and luggage trolley collection tasks at airports, further enriching our product offerings.

Specifically, we will deepen cooperation with industry stakeholders to develop new modules or features based on real-world usage data and increase product penetration with individual clients. Furthermore, we will leverage the benchmark effect of leading customers to continuously extend product application and form stronger product barriers.

- We are accelerating the updates and iterations of the TickWay, WinGuard and MrRay series and increasing investment in baggage handling and airport ground service robots to streamline baggage handling, reduce manual intervention, and improve traffic efficiency. At the same time, we are developing AI-powered full-colour night vision cameras tailored for airport perimeter security.
- We are advancing the updates of the SINHON Business System and plan to develop an intelligent spatial analysis engine for shopping centres. In the future, a architecture featuring cloud, edge, and device coordination, supported by large and small models, will enable semantic analysis and intelligent decision-making. The system uses cameras with AI algorithms to detect real-time safety hazards such as fire, smoking, falls and other unusual incidents, and automatically generate work orders for property management follow-up. In November 2025, our intelligent spatial analysis engine was selected for a centralised procurement project led by a major central state-owned enterprise. The project adopts a phased delivery model and covers over 30 shopping centres with a total expected contract value exceeding RMB20 million (tax inclusive). See “— Path to Profitability — Revenue Growth Strategies — Expanding and Diversifying Product and Service Offerings”. Broader commercial rollout and continuous upgrades are expected to continue.

- We are focused on reducing hardware costs and optimising product functions such as DMS, ADAS, BSD, and developing new functions such as OMS. We continue to enhance system accuracy and reinforce product reliability under extreme lighting and weather conditions. At the same time, we are developing new product versions to meet regulatory requirements in overseas markets.
- In addition, we are increasing R&D investment in our full-colour night vision product series, which consists of AI night vision algorithms, night vision modules, and night vision cameras. Leveraging our visual perception technologies, the series is designed for image capture and analysis in low-light environments, with potential applications in airport perimeter security, ADAS, and night-time monitoring of industrial or commercial campuses. For example, our AI night vision algorithm was deployed in a cultural heritage protection project in Gansu Province, where its high-resolution performance in low-light conditions helps reduce damage to artifacts exposed to strong lighting. We are developing AI night vision cameras for airport perimeter security, which can also be used at access control checkpoints and other low-light monitoring scenarios.

See “— Research and Development — Key Research Projects.”

Strengthening visual AI R&D and advancing full-stack technology chain

Our accumulated technological expertise in computer vision algorithms and smart imaging has laid a solid foundation for the rapid growth of our business during the Track Record Period. Looking ahead, we will continue to strengthen our R&D capabilities in visual AI technologies, enhancing the perception, cognition, reasoning, interaction, and execution capabilities of robots and intelligence agents, thereby further consolidating our technological advantages.

Specifically, we will focus on strengthening iterations in 3D vision, large models, and night vision imaging technology, and increase investments in multi-agent collaboration, embodied AI and robotic technologies. In the field of 3D vision, we will advance R&D of algorithms such as 3D object detection based on depth information and point clouds, volume measurement, and grasping and stacking, and improve the accuracy of robots in tasks involving spatial perception, planning, grasping, and stacking, and expand into scenarios such as logistics and warehouse automation. By applying 3D stereo data for precise estimation of a person’s height, position, and movement trajectory, we will improve detection of abnormal behaviour such as tailgating, identity fraud, and entering from the opposite direction for Tickway Access Gates. In the field of large model technologies, we focus on VLMs and end-to-end VLA models. We aim to drive early application breakthroughs in vertical industries and enhance cross-scenario adaptability and deployment on edge devices through model lightweighting. In the field of night vision imaging technology, we will enhance imaging quality under ultra-low-light and extreme lighting conditions by combining our self-developed optical modules with AI-ISP algorithms and integrating non-visible light sensor technologies, supporting advanced 3D perception applications. In the field of embodied intelligence, we focus on multi-robot collaboration and complex operational tasks, aiming to enhance capabilities in motion planning, grasping, stacking, and multi-arm coordination, and promoting deployment in scenarios such as airports and commercial facilities.

Leveraging the generalisation capabilities of our full-stack technology chain and productisation capabilities, we aim to continue expanding into a wider range of vertical industries and deliver scalable intelligent solutions.

Attracting and developing talent to drive AI innovation

We are committed to continuous investment in building a diversified and systematised mechanism for talent acquisition, development, and retention. Our talent strategy is anchored in two complementary pillars: enhancing our internal recruitment and training capabilities, and strengthening strategic partnerships with universities and research institutions. We are focused on expanding and optimising our recruitment and development framework to attract professionals, particularly in AI engineering, robotics technologies and vertical industry expertise and targeting candidates with a strong foundation in AI algorithms, deep industry knowledge, and domain-specific

technical understanding. In addition, we are building a talent pipeline through collaboration with academic institutions. We actively engage in joint R&D initiatives with leading universities, such as the Civil Aviation University of China and Xiamen University, co-applying for national and provincial research projects. We have also partnered with universities to establish joint research laboratories and implement an industry mentor system, with our senior technical experts as academic mentors, fostering talent development while aligning research with our business needs.

Expanding into international markets

We are actively expanding into international markets, with a strategic focus on promoting our intelligent civil aviation products in Southeast Asia, the Middle East, and selected Central Asia markets. In January 2026, we commenced a pilot project for trial use of boarding gate at Islam Karimov Tashkent International Airport in Uzbekistan. See “— Path to Profitability — Revenue Growth Strategies — 2. Expanding into Overseas Markets” for details of the relevant overseas market landscape.

We are also strengthening our overseas go-to-market capabilities by building a dedicated sales and service team to manage overseas marketing, sales, and pre-sales activities. In addition, we are establishing structured workflows between front-end customer-facing teams and back-end product development teams, ensuring real-time feedback and better alignment with local use cases. We aim to participate in at least two international industry forums or exhibitions each year to improve product visibility and connect with global industry networks. We also plan to continue our participation in global design and industry competitions, having already received recognition such as the iF Design Award and the Gold Award from the French Design Awards in 2025. As overseas business scales, we will maintain a flexible partnership model in which our Group provides core hardware and technical specifications, while partners manage system deployment, compliance, and after-sales support. We will cooperate with experienced local system integrators who bring valuable expertise and resources in project execution, customer engagement and service delivery. We believe this collaborative approach will accelerate localisation, reduce barriers to market entry, and enable more efficient execution across diverse international markets. In addition, we plan to engage local industry consultants to access first-hand project information, support strategic assessment, gain a better understanding of local market demands, and assist us to strengthen relationships with local industry organisations and stakeholders.

Establishing manufacturing capacity and pursuing strategic investment and acquisition

We plan to invest in the establishment of a dedicated production and R&D base to enhance our manufacturing capabilities, improve quality control, and support our long-term business growth. The facility is planned to include a sheet metal processing plant, a computer numerical control (CNC) machining centre, and an assembly workshop, supported by R&D infrastructure such as laboratories. It is expected to primarily focus on the production of hardware and system solutions related to the civil aviation and commercial real estate sectors. Once reaching full capacity, the base is expected to reach an annual production capacity of approximately 600 smart boarding gates, 120 millimetre wave body scanners, and 200 baggage transfer robots.

By establishing our own production base, we aim to gradually build integrated R&D and manufacturing capabilities, reduce production costs, improve product consistency, and enhance our responsiveness to evolving market demands. Shifting to in-house production is expected to lower manufacturing costs and improve operational efficiency, contributing to a projected increase in gross profit margin by approximately 10% at full production capacity, capturing the profit that would otherwise go to the contract manufacturer. The production base will also serve as a stable foundation to support both domestic growth and future international expansion, strengthening our long-term profitability and competitiveness in key markets.

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Our Directors consider that our successful deployment of visual AI products in major airports in the PRC demonstrates the scalability and reliability of our technologies in complex, high-traffic environments, reflecting our capabilities in airport safety management, access control and passenger processing. This domestic track record, together with our established supplier and customer network, cost control capabilities and experience in delivering integrated hardware-software-system solutions, provides a basis to support anticipated demand for our products and the planned establishment of an in-house production base. With competitively priced offerings, delivery capabilities and localized support through partner networks, we are positioned to pursue opportunities arising from infrastructure development, operational modernization and increasing passenger traffic in the Middle East, Southeast Asia and Central Asia, which will support utilisation of the production facility in addition to the growth of the civil aviation market in China. See “Industry Overview — Overview of Enterprise Visual AI Product Market for Civil Aviation in China” and “ — Path to Profitability — Revenue Growth Strategies — 2. Expanding into Overseas Markets” for discussion of the domestic and overseas market landscape.

In addition, to further strengthen our market position and accelerate the expansion of our market share, we intend to selectively pursue strategic cooperation, investment, and acquisition opportunities across the upstream and downstream sectors of the enterprise AI solution industry. This includes identifying high-potential partners, technologies, and service providers that can complement our existing capabilities and broaden our value chain. Through the integration of key industry resources and synergies, we aim not only to reinforce our technological and commercial competitiveness, but also to enhance our ability to deliver end-to-end intelligent products and solutions. These efforts will contribute to building a more resilient and scalable business model, while positioning us for long-term growth in the evolving AI ecosystem.

OUR BUSINESS AND REVENUE MODEL

The following table illustrates our business and revenue models by business line:

Business Line	Specialist Technology Products	Major Type of customers	Business model	Revenue model	General pricing factors	Specific pricing considerations	Payment schedules
Intelligent civil aviation	Smart access control products	System integrators, which are responsible for overall management and ensuring our solutions meet the operational and security requirements of airports while facilitating successful implementation.	Project-based	Transaction-based	Our pricing for products and solutions is primarily determined by general factors including types and functions of products, scope of services, costs of procuring hardware, sales and marketing expenses, the technological sophistication and advantages of our products, prices of our competitors' offerings and overall market demand.	We take into account the number and types of hardware required as part of our offerings, and their respective procurement costs.	(i) payment upon delivery, (ii) payment upon acceptance, and (iii) payment upon the end of the warranty period
	Smart security screening products						
	Smart passenger service products						
Intelligent commerce	Intelligent business solution	Commercial real estate developers	Project-based	Transaction-based		We generally take into account factors such as the specific subsystems of the SINHON Business System provided and the associated development costs, including the extent to which our self-developed technologies and knowhow are applied, as well as any level of customisation required, if any.	(i) payment before delivery; (ii) payment upon acceptance; (iii) payment upon the end of the warranty period
	Intelligent park management solution	Developers/operators of industrial parks and public spaces	Project-based	Transaction-based		We take into account the number and types of hardware required as part of our offerings, and their respective procurement costs.	(i) payment upon signing of contract, (ii) payment upon delivery, and (iii) payment upon the acceptance or the end of the warranty period of one year

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Business Line	Specialist Technology Products	Major Type of customers	Business model	Revenue model	General pricing factors	Specific pricing considerations	Payment schedules
	Smart Door Locks	Door lock manufacturers and integrators	Order-based	Transaction-based		We generally take into account the technical specifications and our respective procurement costs of the Smart Door Locks.	(i) payment upon signing of contract; and (ii) monthly settlement
Intelligent driving safety	Safety driving assistance products	Telecommunications companies In-Vehicle equipment manufacturers	Order-based	Transaction-based		We take into account the number and types of hardware required as part of our offerings, and their respective procurement costs.	payment before delivery

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

	2023		Years ended 31 December 2024		2025	
	Revenue (RMB'000)	%	Revenue (RMB'000)	%	Revenue (RMB'000)	%
Intelligent civil aviation	128,793	53.2	228,837	57.9	172,395	38.9
Intelligent commerce	81,181	33.5	96,982	24.5	154,487	34.9
Intelligent driving safety	30,373	12.5	68,978	17.5	115,915	26.2
Others ⁽¹⁾	2,028	0.8	385	0.1	158	0.0
Total	242,375	100.0	395,182	100.0	442,955	100

Notes:

(1) Others primarily include sales of smart water and electricity metres and electronic components.

(2) Amount negligible.

OUR PRODUCTS AND SOLUTIONS

Intelligent Civil Aviation

Our intelligent civil aviation products cover automation and intelligent upgrades across key stages of full passenger service process in airports, including check-in, security screening, boarding, and passenger services, and further extend to baggage handling and perimeter security monitoring. By enabling more automated and intelligent operations, our products help enhance operational safety, optimise service workflows, and reduce reliance on manual labour. Leveraging AI vision and optical imaging technologies, these products support airports in improving operational efficiency and delivering smoother passenger experience, while maintaining high standards of safety and reliability.

Procurement Practices in the Civil Aviation Industry

In the civil aviation segment, projects are typically initiated by major airport groups for terminal upgrades, expansions, or new construction. In China, each province or centrally administered municipality generally has its own airport group responsible for the investment, construction, operation, and management of civil airports within their jurisdiction. These groups play a central role in coordinating infrastructure development and implementing regional aviation strategies. To the best knowledge of the Directors according to public information, these major airport groups are state-owned enterprises.

BUSINESS

These civil aviation projects are large in scale and tend to follow a seasonal pattern aligned with the planning and operational cycle of airport operators. To the best knowledge of the Directors, internal planning and budgeting usually take place in the first quarter, during which airports identify upgrade needs. After this, the procurement process begins, followed by the selection of system integrators. These integrators coordinate with equipment suppliers like us to finalise technical specifications, integration plans, and prepare for installation. We do not participate in the tender process nor obtain projects directly through public tenders from the airport groups. Instead, we act as a procurement supplier, selling our products to the selected system integrators through contract negotiation.

To minimise disruption before the peak winter-spring travel season, which generally begins in the last week of October and extends through March, covering major travel periods such as Christmas, New Year, and the Chinese New Year, airports aim to complete equipment installation and testing in advance. As December is typically considered part of this peak season, airports usually require that equipment deployment be completed before December to ensure systems are fully operational during periods of high passenger traffic. As a result, both physical delivery and on-site deployment are concentrated in the fourth quarter.

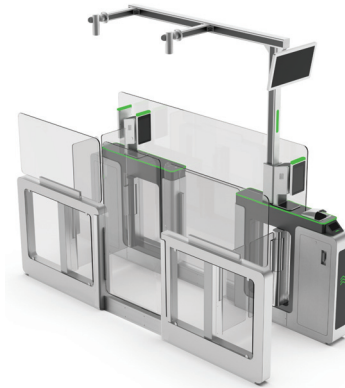
Delivery of our products to system integrators generally follows this schedule, therefore is usually concentrated in the fourth quarter. According to Frost & Sullivan, this seasonal concentration is consistent with industry practice in China, where civil aviation infrastructure projects typically follow a “plan-procure-install” cycle that ends in the fourth quarter. The timing reflects airport operators’ need to avoid major construction and system upgrades during peak travel periods, while ensuring that new or upgraded systems are fully operational ahead of the winter travel season. As a result, project completion and revenue recognition for our civil aviation segment are also typically concentrated in the fourth quarter reflecting the seasonality of procurement, construction, and operational readiness cycles in the airport industry.

Smart access control products

Our smart access control products, Tickway Access Gates, include Tickway Boarding Gate (萬衛智慧登機門) for passenger access control at boarding gates and Tickway Security Gate (萬衛智慧安檢閘機) for passenger access control at security checkpoints, both of which are equipped with RecoSee Visual Perception Agent and RecoAware Visual Cognition Agent. In addition to the basic passage functions of traditional access gates, our Tickway Access Gates possess AI recognition capabilities including passenger identity recognition, passenger behaviour recognition, and identification of passengers with special needs. They integrate identity authentication, behaviour detection, and recognition of passengers requiring assistance, such as wheelchair users or passengers with strollers, to provide appropriate assistance and a more human-centric experience. Moreover, our Tickway Access Gates can automatically execute scenario-based response mechanisms, provide clear guidance to passengers, and issue alerts or reminders to ground service staff when needed. Our Tickway Access Gates are characterised by a high level of security and operational efficiency. For example, during the full-year operational cycle of Lanzhou Zhongchuan International Airport in 2024, having served nearly six million passengers, the tailgating detection false alarm rate was kept below 0.015%, with no missed detections or miscounts recorded. Our Tickway Access Gates also support unattended operation, helping to reduce the need for ground staff at boarding gates while improving overall efficiency. The passenger throughput rate has improved from approximately ten seconds per person per lane with traditional access gates to around seven seconds per person per lane. Staffing requirements at boarding gates have been reduced from two to three personnel to one to two personnel.



Tickway Boarding Gate



Tickway Security Gate

Smart security screening products

Our smart security screening products mainly include WinGuard Identity Verification Devices (翼瞳智能核驗終端), Millimetre Wave Body Scanner (毫米波安檢門) and Anti-Omission Detection Device (防漏檢一體機). These products are embedded with our RecoSee Visual Perception Intelligence Agent and RecoAware Visual Cognition Intelligence Agent, which can achieve accurate and efficient passenger identity verification and carry-on contraband screening at airports. These products perform automatic screening based on visual AI technologies, and support real-time behaviour analysis and automated decision-making during the screening process. They can reduce the need of manual inspection by ground staff, speed up the screening process and improve passage efficiency.

WinGuard Identity Verification Devices are designed for passenger identity authentication in scenarios such as check-in and security screening. They are capable of adapting to various changes of light, such as strong light, backlight, and low light in airport environment, and accommodating passengers of different heights.

Our Millimetre Wave Body Scanner enables non-contact and non-intrusive screening of passengers and their belongings within a few seconds. This effectively replaces manual inspections by security personnel, and ensures high passenger throughput while minimising disruption.

Our Anti-Omission Detection Device adopts a multi-sensor fusion approach to perform non-intrusive secondary identity verification without requiring any cooperation from the passenger. Typically installed alongside Millimetre Wave Body Scanners or metal detection gates, the device works in coordination with these security screeners to reduce the risk of missed detections during manual screening.



WinGuard Identity
Verification Devices



Millimetre Wave Body Scanner



Anti-Omission Detection
Device

Smart passenger service products

Our smart passenger service products include MrRay Passenger Service Robot (曉瑞旅服機器人) and LINTIS Flight Information Terminals (靈悉智慧航顯終端). These products are embedded with our RecoThink Visual Reasoning Intelligence Agent, which enables natural interaction between machines and passengers in the airport environment. Based on the user's identity authentication information, they can provide personalised services such as navigation assistance, information enquiry, and carry-on baggage support.

Our MrRay Passenger Service Robot is equipped with self-developed QTune VLM, enabling it to identify passenger identities, autonomously retrieve check-in information, and guide passengers to boarding gates or commercial areas. It incorporates multi-modal SLAM (simultaneous localisation and mapping) technologies based on laser and visual sensors and vision-assisted cross-device positioning technology. These features allow the robot to navigate independently within spacious airport environment. During navigation, it can carry cabin-sized luggage or small personal belongings, which enhances convenience for passengers and reduces the need for manual assistance. The robot also features autonomous decision-making capabilities powered by VLM.

Our LINTIS Flight Information Terminals provide flight enquiry services and include a “one-click MrRay summon” function. This enables seamless interaction between the two smart passenger service products, allowing passengers to call the nearest MrRay Passenger Service Robot directly from the LINTIS Flight Information Terminals.



MrRay Passenger Service
Robot



LINTIS Flight Information Terminals

AntOne Baggage Handling Robot

In 2025, we launched the AntOne Baggage Handling Robot, which is built for baggage handling processes within airport terminals. This robot is developed based on collaborative robotics technology and integrates advanced hardware components, including a multi-modal perception system, high-precision mobile chassis, adaptive end-effector, and computer vision, motion planning, unstructured palletising, and proactive safety algorithms. It enables a full-process solution from accurate baggage identification, gripping, transport to stacking, supports human-machine collaborative obstacle avoidance and adopts a modular architecture compatible with both new and existing terminals. In September 2025, the robot made its debut at the International Airport Expo in Guangzhou, China. We have commenced pilot trials of the AntOne Baggage Handling Robot at three PRC airports, each handling over 10 million passengers annually. As at the Latest Practicable Date, the projects remain at the testing stage, with testing of one pilot expected to be completed in September 2026. See “— Path to Profitability — Revenue Growth Strategies — 1. Expanding and Diversifying Product and Service Offerings” for further details.

With real-time environmental sensing and dynamic adaptive control, the robot significantly improves baggage handling efficiency and system reliability, supporting intelligent, unmanned logistics and smart airport transformation.



AntOne Baggage Handling Robot

Full-Colour Night Vision Products

We plan to develop full-colour night vision products designed to tackle the imaging challenges of vision in extremely low light environments. Leveraging advanced computer vision algorithms, the products will accurately capture weak light signals and effectively suppress noise without auxiliary lighting, enabling real-time, full-colour video output at night. Even in the absence of auxiliary illumination, they deliver richly detailed visual data, overcoming the performance limitations of traditional imaging devices in low-light conditions. Unlike traditional thermal imaging that provides heat-based silhouettes, they provide essential visual details and are suitable for scenarios such as airport perimeter security, commercial surveillance, night-time driving assistance, forest protection, and border patrol.

Intelligent Commerce

Our intelligent commerce offerings are committed to driving digital transformation across the commercial and industrial sectors. The SINHON Business System is an intelligent operation platform that integrates “Artificial Intelligence (AI)+ Business Intelligence (BI) + Large Language Model (LLM)”. It provides commercial real estate developers with a unified platform for data analytics, real-time decision-making, and precise customer engagement. In addition, we provide intelligent transformation solutions for industrial parks and other commercial spaces by leveraging AI vision and optical imaging technologies to enhance access control and security monitoring, thereby improving overall safety, monitoring efficiency, and operational performance within the park environment. We also provide Smart Door Locks and Smart Door Lock Modules to door lock manufacturers and system integrators.

Intelligent business solution

The SINHON Business System is an advanced digital operations platform purpose-built for the commercial real estate industry. Designed to empower developers and operators of shopping malls and commercial complexes, the system provides data-driven operational and decision-making capabilities that address the demands of digital transformation in offline retail environments. Built on an integrated AI + BI + LLM architecture, which combines visual AI, business intelligence, and LLMs, the system enables cross-system data consolidation, cleansing, and analysis, addressing the fragmented information landscape that often challenges commercial real estate operators.

Devices



Visual AI Technologies



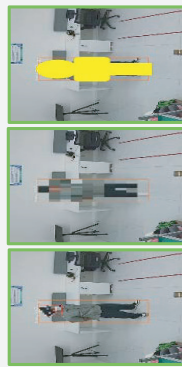
AI-ISP Optical Imaging Optimization



Multi-Object Tracking and Trajectory

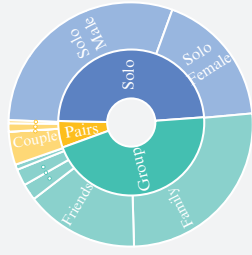
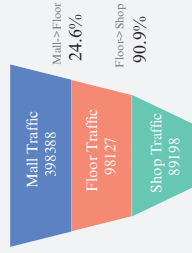


ReID Fine-Grained Feature Selection and Matching



AI-based Multi-Layer Privacy Protection

Customer-Shop-Space Digitization



Mall→Floor 24.6%
Floor→Shop 90.9%

Intelligent Business Operations

Optimize Resource Allocation



Foot Traffic Analysis



AI



BI



LLM

SINHON Business System

Reduce Costs
Increase Efficiency



Revenue Growth

Our system consists of three engines: the visual AI engine, the BI engine, and the LLM engine. The visual AI engine integrates algorithms such as body detection, ReID, and multi-object tracking, with privacy preserved through facial masking and multi-layered data obfuscation. It can output indicators such as foot traffic statistics, heatmap generation, dwell time at storefronts, and area-specific attention metrics. It also estimates age and gender based on clothing features, and combines spatiotemporal data to infer consumer relationships and shopping behaviour. The BI engine integrates structured outputs from the AI engine with operational data from multiple subsystems, converts them into visual formats such as charts and dashboards. It supports scenarios such as dynamic rental pricing, event scheduling, and spatial performance analysis, helping management teams quickly make informed decisions. The LLM engine leverages the reasoning capabilities of LLMs to analyse filtered field and subsystem data together, facilitating intelligent matching of people, products, and spaces, as well as scenario-based marketing. The system also supports traffic forecasting and promotion planning, shortening decision-making cycles, lowering trial-and-error costs, and optimising resource allocation.

SINHON Business System consists of seven integrated subsystems designed for intelligent conversion of traffic in commercial real estate scenarios. These subsystems cover the full operational lifecycle of retail and mall management, including customer acquisition, foot traffic analysis, marketing and promotion, membership management, payment and transactions, tenant coordination, lease management, facilities and energy systems, security and access control. The system supports both integrated solution and modular deployment, allowing commercial real estate developers and operators to tailor digital integration strategies based on their needs. It has been adopted in well-known shopping malls and commercial complexes across cities and provinces such as Beijing, Shanghai and Guangdong.

Contracts are secured through public tenders or direct negotiations, depending on each customer's procurement process. Larger state-owned enterprises often require competitive biddings, while others may opt for direct contracting. Our tender success rate was 48% in 2023, 75% in 2024, and 59% in 2025.

Intelligent park management solution

Our intelligent park management solution focuses on business parks, industrial zones, and public transport hubs. We integrate AI algorithms and IoT connectivity into our product offerings, mainly including smart access gates, multimodal authentication access terminals, Smart Door Locks, intelligent cameras, and the FacePass Park Management Platform. These solutions achieve automated access control and personnel management, improving efficiency and reducing reliance on manual labour.

Our smart access gates, multimodal authentication access terminals, and Smart Door Locks are powered by advanced AI algorithms, enabling around-the-clock intelligent access control, attendance tracking, visitor management, surveillance, and emergency response. Equipped with liveness detection technology, the devices prevent spoofing using photos, screens or masks, and ensure stable recognition even in wide-angle or low-light environments.

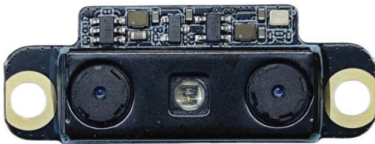
Our FacePass Park Management Platform integrates IoT technology and enables intelligent access control across all scenarios within the industrial or business parks. The platform leverages visual algorithms such as multi-modal identity recognition and liveness detection, and applies a three-dimensional model based on role, zone and time to dynamically assign access permissions for individuals such as employees, visitors and vehicles. It links with attendance systems to ensure accurate permission matching and real-time blocking of blacklisted individuals. The platform incorporates intelligent cameras and leverages computer vision to analyse video streams, automatically identifying violations such as unauthorised entry into restricted zones, failure to wear safety helmets, or non-compliance with operational procedures. It generates corresponding alert data, strengthening production safety and operational management, and supporting more informed decision-making.

Smart Door Locks

Our Smart Door Lock business primarily serves door lock manufacturers and system integrators. For manufacturers, we supply hardware modules embedded with multi-modal identity recognition algorithms such as palm vein and fingerprint recognition. These manufacturers incorporate our modules into their door lock production, enabling them to build smart locks without requiring in-house algorithm development capabilities. For system integrators, we provide complete Smart Door Locks that integrate multi-modal biometric recognition algorithms and IoT connectivity options, such as LoRa and Cat-1. These integrators procure our Smart Door Locks for installation and implementation in their engineering projects.

Our Smart Door Lock Modules are based on deep neural networks and use meta-learning for pruning and knowledge distillation. These algorithms enhance 3D depth imaging and multi-modal recognition performance, while reducing model size and maintaining high accuracy. This enables our modules to perform multi-modal recognition on low-computing-power hardware, reducing both hardware cost and power consumption, and allowing for adaptation across diverse scenarios.

Our complete Smart Door Locks combine advanced optical and liveness detection technologies to ensure reliable recognition under varying lighting conditions and prevent spoofing attacks using 3D masks, photos or videos. They can be integrated with smart park and smart home systems and are widely applicable in hotels, campuses, factories and other scenarios requiring large-scale installation and intelligent management.



Smart Door Lock Module



Smart Door Lock

Intelligent Driving Safety

Safety driving assistance products

We integrate visual analytics, IoT, and big data technologies to develop the Driving Safety Analysis Device and the Recadas Safety Risk Management Platform, with the aim of enhancing commercial vehicle transport safety, optimising operational efficiency, and supporting intelligent risk management. The Driving Safety Analysis Device collects and analyses real-time data, including vehicle location, driver behaviour, road types, weather, and traffic information through in-vehicle cameras. The Recadas Safety Risk Management Platform further processes this data using AI algorithms to comprehensively assess driving conditions and enable real-time risk evaluation, prediction, and early warning.

The Driving Safety Analysis Device is equipped with multiple cameras powered by advanced visual recognition technology, including a DMS camera that identifies the driver and detects risky behaviours such as fatigue driving, distraction, and mobile phone use, a BSD camera that provides early warnings of pedestrians or vehicles in blind spots, and an ADAS camera that issues real-time alerts for lane departures and potential collision risks. As at 31 December 2025, our Driving Safety Analysis Device had been installed in over 500,000 commercial vehicles.

Recadas Safety Risk Management Platform serves as the core of the safety risk management system. It integrates AI and IoT data, enabling real-time communication between drivers and safety managers and allowing for timely intervention when risk events occur. The platform integrates the proprietary RecoAware visual cognition engine to perform multi-frame reprocessing and reduce false alerts. It also embeds the RecoThink reasoning engine, which integrates multiple sources of data, such as alerts, road conditions, weather and trajectories, to construct automated risk models and generate driver risk scores, individual profiles and analytical reports. These outputs support targeted intervention, compliance management, and differentiated insurance pricing.

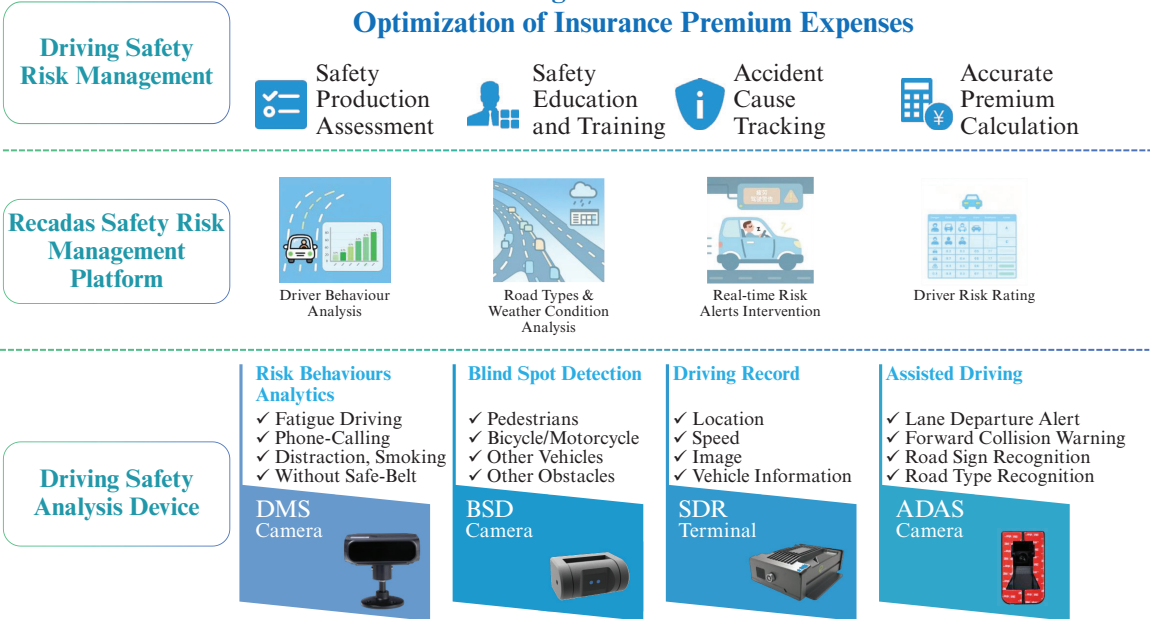
Our Directors believe that government-led initiatives to improve road safety, such as the Opinions of the State Council on Strengthening Road Traffic Safety (《國務院關於加強道路交通安全工作的意見》) issued by the State Council, have driven large-scale installation programs. In Henan Province, for example, a telecommunications company designated by the local government acts as the system integrator, selecting suppliers through public tenders. As a device provider, we do not participate in these tenders but only supply terminal equipment to the winning integrators (i.e. Customer F).

We delivered to Customer F the Recadas Safety Risk Management Platform and the Driving Safety Analysis Device. To ensure smooth integration, we provided technical support and hands-on training. The telecommunications operator oversaw overall project coordination and risk control, including device installation and support for transport operators through features such as real-time alerts, safety ratings, and driver training modules. We also collaborated with insurers to explore data-driven insurance models. By supplying accurate risk data via the platform, we supported differentiated premium pricing, helping transport operators reduce insurance costs and improve safety.

We focus on serving freight operators and their drivers. Our Driving Safety Analysis Device is fitted to vehicles, primarily heavy-duty trucks, after they are manufactured, rather than being factory-installed during production. We do not sell directly to individual consumers.

In addition, we develop and supply Driving Safety Analysis Modules with built-in AI image recognition capabilities. These modules can be integrated into traditional devices such as dashcams and navigation systems, enabling manufacturers to quickly upgrade their offerings to active safety solutions without additional in-house R&D investment.

Reduction of Freight Vehicle Accident Rates and Optimization of Insurance Premium Expenses

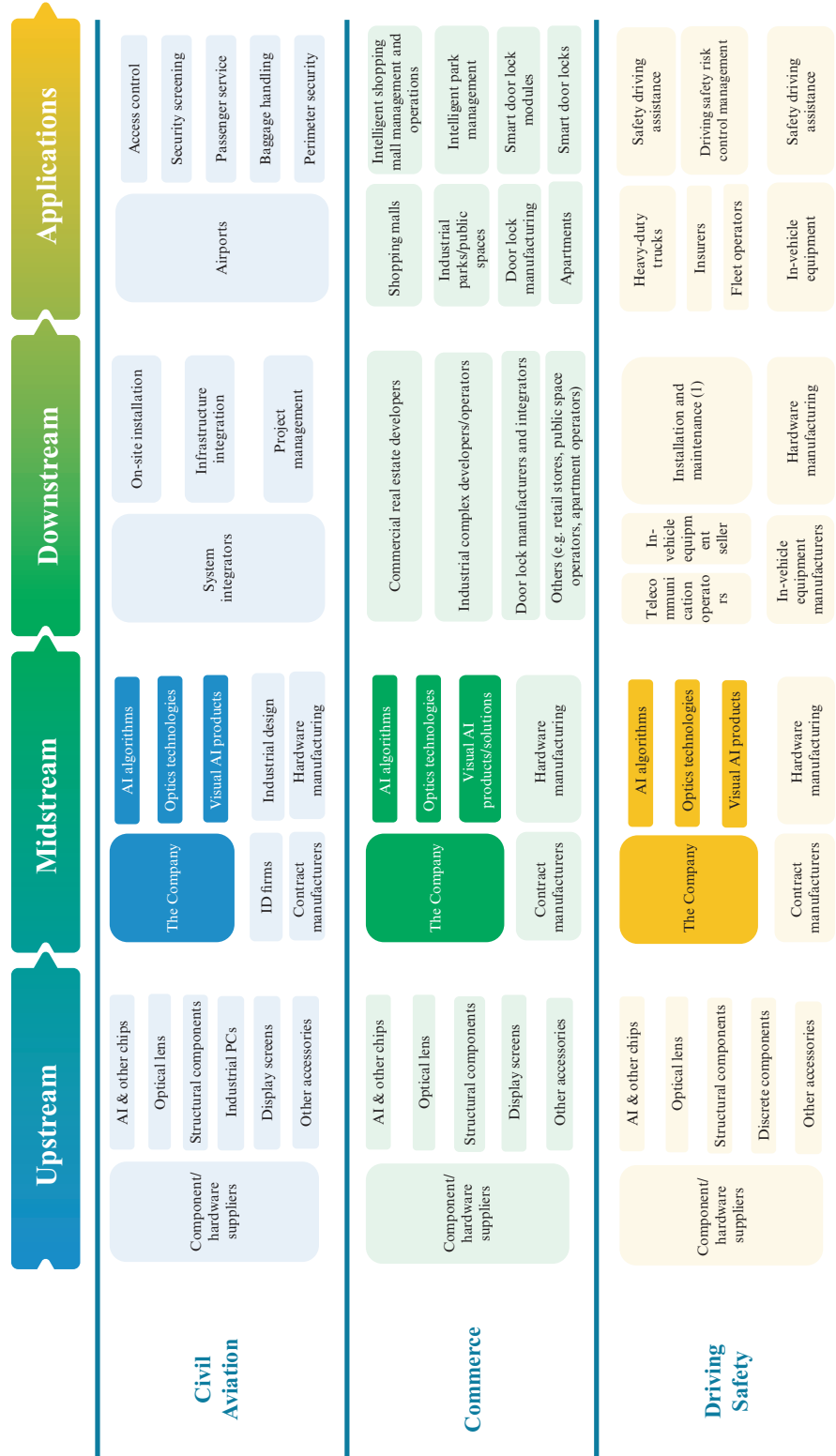


Safety Driving Assistance Products

OUR ADDED VALUE

Positioned at the core of the value chain across civil aviation, commerce, and driving safety scenarios, we design and develop all core software systems and AI algorithms internally. This includes system architecture, data processing frameworks, and computer vision technologies that underpin our visual AI capabilities. We also design key hardware that supports the performance of these technologies, such as access gates, monitoring cameras, identity verification devices, and sensors. These in-house capabilities reflect our advanced technical strengths and enable consistent system integration, high performance, and distinctive product features. We create value for our customers across multiple industries by delivering advanced, scenario-driven AI solutions that not only improve operational efficiency but also enhance security, increase automation and enable smarter decision-making, all of which set our offerings apart from other products in the market.

The following diagram illustrates the added value we contribute across the value chain:



- (1) Under government-led initiative project, we sell the Driving Safety Analysis Devices and the Recadas Safety Risk Management Platform to the telecommunications operator, or with its recognised procurement entity, which acts as the overall contractor and incorporates our products and services into its integrated technical solution, with us serving as the equipment and platform provider. The telecommunications operator then provides the devices to in-vehicle equipment sellers, who are responsible for installing the devices in vehicles and maintaining them for the end users, namely the drivers.

Intelligent Civil Aviation

We are responsible for the full development of the AI systems that support our civil aviation products. This includes internal development of core algorithms such as multi-modal identity verification and behaviour analysis, as well as the design of both software and hardware, including functional architecture and industrial design of our products. This ensures our products meet the safety, reliability, and system compatibility requirements of airport environments. While we may collaborate with industrial design firms to develop certain hardware structural elements, the initial concepts and technical specifications of our hardware are established in-house.

To support production, we engage contract manufacturers to produce or assemble the hardware products according to our detailed designs and technical specifications. These partners are not involved in our proprietary algorithm development, software engineering, or hardware design. Depending on technical requirements and cost considerations, we may procure components such as AI chips, industrial computers, optical lenses, and document readers directly or authorise our manufacturing partners to do so. We implement quality control measures throughout the production process to ensure compliance with our standards. Once the hardware is assembled, our internal team either installs the AI algorithms directly or supervises the process under formal authorisation. To protect our intellectual property, we implement technical safeguards such as anti-copying mechanisms, algorithm-to-chip binding, and usage-based tracking during production.

Our products are deployed in airports through downstream system integrators, who are responsible for on-site installation, configuration, and integration of our products into the airport's broader IT systems and infrastructure. These integrators serve as implementation partners, ensuring that our products are properly connected with the airport's existing operational platforms, such as airport management systems, access control systems, and security infrastructure.

Intelligent Commerce

In the commercial sector, we apply the same fully integrated model to deliver intelligent systems for a wide range of commercial and industrial spaces. We design and develop the entire software stack, algorithm layer and key hardware components, such as customer analytics sensors, smart access gates, multimodal authentication access terminals, smart door locks, and AI-based recognition cameras, which power the SINHON Business System and the FacePass Park Management Platform, allowing us to maintain full control over system architecture, ensure seamless software and hardware integration, and protect our intellectual property.

By independently designing the complete software stack, including modules for data collection, analytics, access control, visualisation and AI processing, we ensure that system functionality aligns closely with practical operational needs. This end-to-end control of the software layer enables us to embed advanced AI features across our platforms. These include real-time customer flow analysis and behavioural trend insights in shopping centres, as well as identity verification, intelligent access control, and visitor or workforce management. Our approach ensures high system reliability, scalability and adaptability across high-traffic commercial spaces, business parks and other industrial campuses.

We also design all key hardware components that support the performance of each platform. For the SINHON Business System, this includes customer analytics sensors that capture non-personalised data such as movement patterns, dwell time and zone visitation frequency. For the FacePass Park Management Platform, we design hardware such as smart access gates, multimodal authentication access terminals, smart door locks. These hardware devices are manufactured by contract manufacturers based on our designs and specifications. Depending on the technical and cost requirements, we may procure core components such as control boards and critical electronics ourselves, or delegate procurement to the contract manufacturers. Supporting equipment or components such as display screens, network devices, and power supplies are sourced from third-party suppliers and do not perform core analytical or processing functions.

Intelligent Driving Safety

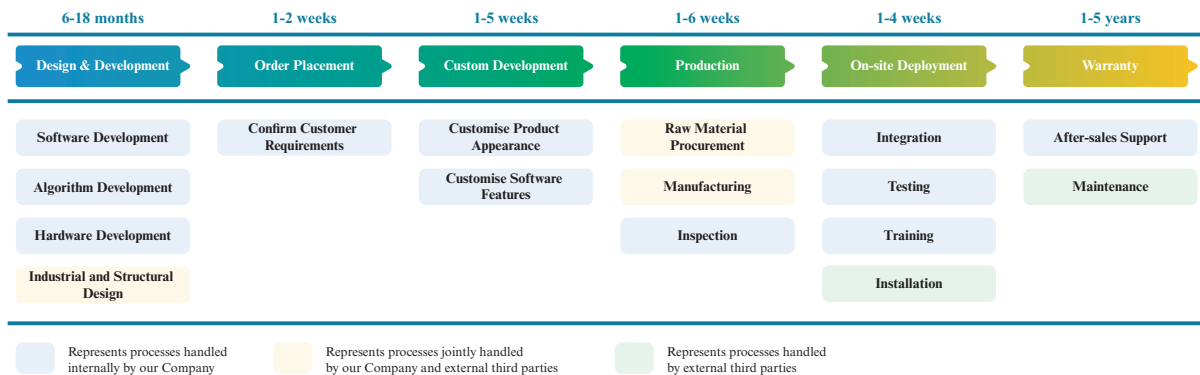
In the driving safety segment, we design and develop all aspects of the Recadas Safety Risk Management Platform entirely in-house. This includes system architecture, software engineering, and algorithm development, ensuring full control over functionality, performance and data security.

For our Driving Safety Analysis Devices, we are responsible for the complete design and development of both the hardware and the embedded software and algorithms. These devices are manufactured by external contract manufacturers in accordance with our detailed design and technical specifications.

In the case of our Driving Safety Analysis Modules, which are supplied as components to third-party in-vehicle equipment manufacturers, we likewise undertake the full design and development of the modules, internal software and algorithms. These modules provide advanced driver-assistance functions such as fatigue detection, lane departure warning, blind spot warning, and collision risk warning. We directly procure key components such as main control chips and memory, while contract manufacturers are responsible for the assembly and procurement of auxiliary materials under our supervision.

In-vehicle equipment manufacturers typically possess capabilities in the production of conventional in-vehicle devices and may also have limited R&D capacity for basic features such as location tracking. However, they might not possess the in-house technical expertise to independently develop intelligent in-vehicle systems, particularly those involving AI-powered video analytics. By incorporating our AI-enabled modules into their traditional hardware, these manufacturers are able to rapidly upgrade their products into intelligent in-vehicle safety devices at a lower cost than developing similar capabilities internally. This enhances their product competitiveness and allows them to offer higher-value solutions to their customers. To the best knowledge of our Directors, the downstream customers of these in-vehicle equipment manufacturers are primarily in-vehicle equipment integrators. These integrators purchase smart in-vehicle devices and are responsible for selling them to end users such as freight and logistics companies, as well as providing installation and ongoing maintenance services.

The following flow chart illustrates the key production process of our products:



We are responsible for the design and development of both the hardware and software for our products. This includes software development, algorithm development, and hardware development. For certain tasks such as industrial and structural design, raw material procurement, and manufacturing, we collaborate with or outsource to external partners. Depending on the production arrangement, contract manufacturers may also handle the procurement of required raw materials and components. Product inspection, system integration, testing, and training are conducted by us, while installation of hardware devices is typically carried out by our customers, for example, the system integrators for the end users, while maintenance and after-sales support are provided by the hardware manufacturers.

BUSINESS

MAJOR PROJECTS

The following table sets for our ten largest projects in terms of revenue during the Track Record Period:

No.	Project	Products/ Services Provided	Final Application	Customer Type	Contract Sum (Tax inclusive) (RMB'000)	Project Commencement (Year)	Project Completion (Year)	Revenue Recognised up to 31 December 2025 (RMB'000)	Revenue to be Recognised after the Track Record Period (RMB'000)
1	Project A	Intelligent civil aviation — boarding/security gates, identity verification devices, service robots, and flight information terminals	Airport	System integrator	113,905	2024	2024	100,801	—
2	Project B	Intelligent civil aviation — boarding/security gates and flight information terminals	Airport	System integrator	72,311	2025	2025	63,992	—
3	Project C	Intelligent civil aviation — boarding/security gates, identity verification devices, service robots, and flight information terminals	Airport	System integrator	85,390	2024	2024	66,849	8,717
4	Project D	Intelligent park management solution	Industrial park	Industrial park developer/operator	65,048	2024	2025	56,361	1,204
5	Project E	Intelligent civil aviation — boarding/security gates and identity verification devices	Airport	System integrator	51,947	2023	2023	45,808	163
6	Project F	Intelligent civil aviation — boarding/security gates and identity verification devices	Airport	System integrator	45,809	2025	2025	40,539	—
7	Project G	Intelligent civil aviation — boarding/security gates and identity verification devices	Airport	System integrator	38,466	2025	2025	34,041	—
8	Project H	Intelligent civil aviation — boarding/security gates, identity verification devices, and flight information terminals	Airport	System integrator	35,299	2024	2024	31,238	—
9	Project I	Intelligent commerce — FacePass Park Management Platform	Industrial park	Industrial park developer/operator	26,366	2025	2025	23,332	—
10	Project J	Intelligent civil aviation — boarding/security gates	Airport	System integrator	23,200	2023	2023	20,531	—

Note: The variance between the contract sum and the revenue recognised or to be recognised is due to the contract sum being tax-inclusive, while revenue is reported on a tax-exclusive basis. The difference reflects the applicable value-added tax of 6%, 9%, or 13%.

BUSINESS

PROJECT BACKLOG

The following table sets forth the movement of the number of our projects in each year of the Track Record Period for the project-based business under the intelligent civil aviation and intelligent commerce business lines:

	Year ended 31 December		1 January 2026 to 31 May 2026	
	2023	2024	2025	
Intelligent Civil Aviation				
Number of ongoing projects at the beginning of the year	21	10	15	17
Add: Number of newly awarded projects	45	43	36	14
Less: Number of projects completed	56	38	34	10
Number of ongoing projects at the end of the year	10	15	17	21
Intelligent Commerce (Intelligent Business Solution)				
Number of ongoing projects at the beginning of the year	16	22	35	51
Add: Number of newly awarded projects	59	116	116	38
Less: Number of projects completed	53	103	100	33
Number of ongoing projects at the end of the year	22	35	51	56
Intelligent Commerce (Intelligent Park Management Solution)				
Number of ongoing projects at the beginning of the year	24	35	33	33
Add: Number of newly awarded projects	180	149	169	54
Less: Number of projects completed	169	151	169	51
Number of ongoing projects at the end of the year	35	33	33	36

The following table sets forth the rolling backlog of our projects by contract sum (tax inclusive) in each year of the Track Record Period for the project-based business under the intelligent civil aviation and intelligent commerce business lines:

	Year ended 31 December			1 January 2026 to 31 May 2026
	2023	2024	2025	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Intelligent Civil Aviation				
Contract sum at the beginning of the year	32,069	867	14,851	11,824
Add: Contract sum ⁽¹⁾	114,202	271,825	191,837	5,775
Less: Contract sum ⁽²⁾	145,404	257,841	194,864	675
Contract sum outstanding balance at the end of the year	867	14,851	11,824	16,924

BUSINESS

	Year ended 31 December			1 January 2026 to 31 May 2026
	2023 (RMB'000)	2024 (RMB'000)	2025 (RMB'000)	(RMB'000)
Intelligent Commerce (Intelligent Business Solution)				
Contract sum at the beginning of the year	13,233	13,847	13,327	16,188
Add: Contract sum ⁽¹⁾	24,899	59,369	62,252	6,516
Less: Contract sum ⁽²⁾	24,285	59,889	59,391	6,970
Contract sum outstanding balance at the end of the year	13,847	13,327	16,188	15,734
Intelligent Commerce (Intelligent Park Management Solution)				
Contract sum at the beginning of the year	5,450	14,560	13,844	13,567
Add: Contract sum ⁽¹⁾	53,175	29,537	103,581	12,766
Less: Contract sum ⁽²⁾	44,065	30,253	103,858	5,594
Contract sum outstanding balance at the end of the year	14,560	13,844	13,567	20,739

Notes:

- (1) The addition in contract sum refers to the increase in contract sum due to newly awarded projects during the year.
- (2) The deduction of contract sum is calculated based on the portion of contract value recognised as revenue during the year, with the addition of the applicable value added tax of 6%, 9%, or 13%.
- (3) The intelligent driving safety business is not conducted on a project basis and, accordingly, is not included in the project backlog. See “— Purchase Frequency for Order-based Revenue”.

PROJECT PIPELINE

We actively engage in negotiations or advanced planning for the signing of additional projects. The pipeline projects expected to be signed, estimated contract sum, and the anticipated revenue are set out below:

Period	Project Type	Number of Projects	Estimated Contract Sum (RMB'000)
1 June 2026 to 31 December 2026	Intelligent civil aviation	28	304,531
	Intelligent business solutions	69	85,686
	Intelligent park management solution	44	12,108

The above estimates are based on the current status of negotiations, indicative terms under discussion with potential clients, and historical project benchmarks. These figures are management estimates only and are subject to change. Actual contract values and the timing of revenue recognition may vary depending on the finalisation of contract terms, client requirements, and project implementation schedules.

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SALIENT CONTRACT TERMS

The following table sets out the salient terms of our standard contracts across our three business segments:

	Intelligent Civil Aviation	Intelligent Commerce	Intelligent Driving Safety
Customer	System integrators	Shopping malls, commercial complexes, enterprise clients	Eligible contractor for large-scale driving safety device projects, in-vehicle equipment manufacturers
Scope of Work	Product delivery (hardware and software), warranty support	Delivery, installation, integration, commissioning, service support	Product delivery
Installation Responsibility	Customer/system integrator	Our Group	Customer
Warranty Period	Two to three years from customer acceptance	One to five years depending on product type	One year
After-Sales Support	Repair/replacement, emergency support within response time	Training, maintenance, system updates, emergency and on-site support	Warranty service for quality issues, technical support
Pricing Model	Fixed fee, based on specifications, configuration, technology	Fixed fee, based on scope, configuration, complexity	Fixed price, based on model type and customisation
Payment Terms	By instalments: signing, delivery, acceptance, end of warranty	By instalments: signing, delivery/installation, end of warranty	By instalments: signing, delivery, acceptance, end of warranty
Credit Period	None (i.e. payment due upon occurrence of the relevant stage)	None (i.e. payment due upon occurrence of the relevant stage)	None (i.e. payment due upon occurrence of the relevant stage)
Termination for Delay	Termination if delivery delay exceeds 15 days; penalties may apply	Termination if payment or delivery delayed by over 25 days	Termination if material delay in payment or delivery
Force Majeure	Good-faith renegotiation if delayed over 60 days	Good-faith renegotiation if delayed over 60 days	Termination allowed for material delay due to force majeure

PURCHASE FREQUENCY FOR ORDER-BASED REVENUE

The following table sets forth the average purchase frequency per customer for our Smart Door Locks under intelligent commerce and safety driving assistance products under intelligent driving safety for each year of the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
Intelligent Commerce (Smart Door Locks)			
Number of orders for the year	350	266	199
Number of customers for the year	101	73	58
Average purchase frequency for the year	3.5	3.6	3.4
Intelligent Driving Safety (Safety Driving Assistance Products)			
Number of orders for the year	91	111	65
Number of customers for the year	36	33	31
Average purchase frequency for the year	2.5	3.4	2.1

BUSINESS

The average purchase frequency for Smart Door Locks decreased from 3.6 in 2024 to 3.4 in 2025. This decline was primarily due to the contraction of this business line, in line with its decreasing revenue contribution and a declining gross profit margin. The revenue and gross profit margin decline in the smart door lock segment was largely attributable to intensified market competition, particularly from smart lock suppliers offering lower-priced, similar, and undifferentiated products. According to Frost & Sullivan, core technologies in the smart door lock industry have become more widely available, lowering the technical threshold for new entrants and intensifying competition. As door lock manufacturers compete primarily on price rather than innovation, products across the market have become increasingly similar, making it difficult for suppliers to remain profitable.

As the business scaled down, customer engagement and repeat purchase activity also reduced, reflecting the strategic deprioritisation of this segment. This strategic deprioritisation aimed to reallocate resources toward higher-margin and more scalable solutions within the intelligent commerce segment, such as intelligent business solution and intelligent park management solution, which offer higher technical complexity, stronger competitive advantages, and better long-term profitability, and are better aligned with the Company's long-term growth strategy.

The average purchase frequency for safety driving assistance products declined from 3.4 in 2024 to 2.1 in 2025. This decrease reflects an increase in the average contract value, with more revenue being recognised from each individual contract, particularly notable from our participation in government-led projects in Henan Province and Hebei Province. The shift indicates our successful transition toward securing higher-value contracts, highlighting our strengthened market position and ability to support complex and larger-scale deliveries.

KEY OPERATING DATA

The following table sets forth certain operating data relating to Intelligent civil aviation, Intelligent commerce, and Intelligent driving safety during the Track Record Period:

	Year ended 31 December						
	2023		2024		2025		
	Intelligent Civil Aviation	Intelligent Commerce	Intelligent Driving Safety	Intelligent Civil Aviation	Intelligent Driving Safety	Intelligent Commerce	Intelligent Driving Safety
Number of customers	31	232	38	27	36	176	32
Number of new customers ⁽¹⁾	19	147	29	17	25	115	21
Revenue from new customers (RMB'000)	83,311.4	48,447.7	18,527.6	1,481.9	52,586.7	100,881.9	43,466.3
% of revenue from new customers for the year/period	64.7%	59.7%	61.0%	0.6%	76.2%	65.3%	37.5%
Average customer value (RMB'000) ⁽²⁾	4,154.6	349.9	799.3	8,475.5	1,916.0	877.8	3,622.3
Average transaction value (RMB'000) ⁽³⁾	2,111.4	137.8	333.8	5,581.4	621.4	312.1	1,783.3
Number of terminated customers ⁽⁴⁾	—	9	3	—	3	4	2
Customer acquisition cost (RMB'000) ⁽⁵⁾	212.9	20.8	52.7	320.1	41.8	25.4	60.6
Customer retention rate ⁽⁶⁾	50.0%	36.5%	22.0%	32.3%	28.9%	29.6%	30.6%
Net dollar retention rate ⁽⁷⁾	1,541.8%	115.9%	400.4%	199.7%	58.7%	82.6%	116.7%

Notes:

- (1) Number of new customers for a given year refers to customers who contributed to our revenue in that year and did not do so in the previous year.
- (2) Average customer value for a given year is calculated by dividing the revenue from a specific business line during that year by the number of customers associated with that business line over the same year.
- (3) Average transaction value of a given year is calculated by dividing the revenue from a specific business line during that year by the number of corresponding transactions during the year.
- (4) Customers who terminated contracts early without completing full performance are classified as terminated customers for that year. The contracts were terminated due to changes or cancellations in customer demand, or a change in the contracting party. As a result, the original contracts became invalid and were cancelled accordingly. Our Directors confirm that such cancellations did not result in any loss to us because we had not commenced production or prepared inventory for the affected orders.
- (5) Customer acquisition cost for a given year is calculated by dividing the sum of selling expenses, marketing expenses, and other customer acquisition-related costs by the number of new customers during the relevant year.
- (6) Customer retention rate is calculated by dividing the number of customers from the previous year who remained as customers in the current year by the total number of customers in the previous year.
- (7) Net dollar retention rate is calculated by dividing the revenue generated in the current year by customers who were also customers in the previous year by the revenue generated by the same group of customers in the previous year.

Intelligent Civil Aviation

From 2023 to 2024, our intelligent civil aviation segment recorded an increase in both average customer value and transaction value, driven by the continued optimisation of our product portfolio and the introduction of higher-value offerings such as the Tickway Boarding Gates and MrRay Passenger Service Robots. These product upgrades contributed to larger contract sizes, supporting the overall growth in customer and transaction value. However, in 2025, both average customer value and transaction value decreased slightly, primarily due to market conditions, which also contributed to a decline in total revenue in the intelligent civil aviation segment. The number of customers declined from 2023 to 2025. To the best knowledge of our Directors, this was mainly attributable to the consolidation of procurement channels by certain key downstream industry participants as part of their efforts to streamline procurement practices. This resulted in a more centralised customer base, with selected system integrators becoming the primary contracting parties for civil aviation projects, and led to a decreased customer retention rate in 2024, with a slight improvement in 2025. For net dollar retention rate, the decrease in 2024 was mainly due to the project-based, non-recurring nature of civil aviation projects, which are typically completed within the same year, resulting in limited revenue from prior-year customers and therefore a lower net dollar retention rate. The net dollar retention rate further decreased in 2025, which was also attributable to the overall decrease in revenue from civil aviation projects.

Intelligent Commerce

From 2023 to 2025, our intelligent commerce segment strategically focused on acquiring and serving high-value customers, while enhancing brand recognition and deepening customer relationships. This approach led to a broader adoption of products among existing customers and sustained a high net dollar retention rate. These developments supported a year-on-year increase in both average customer value and transaction value. In 2024 and 2025, although the total number of customers and new customer acquisitions continued to decline, both average customer value and average transaction value continued to increase, reflecting deeper engagement with key accounts. In 2025, the customer retention rate and net dollar retention rate decreased mainly due to the project-based nature of our business, with projects typically concluding within the same year and only a limited portion of revenue carried over and recognised in the following year.

Intelligent Driving Safety

From 2023 to 2025, our intelligent driving safety segment strategically shifted its focus toward acquiring and serving large-scale operators and centrally-administered state-owned enterprises. This transition was aligned with national policy initiatives aimed at enhancing the monitoring systems for cargo vehicles. Beginning in 2023, we refined our market strategy to concentrate on regional key accounts, resulting in a continued decline in both total and new customer numbers. However, this deliberate focus allowed us to better identify and capture high-potential commercial opportunities. For example, in 2024 and 2025, we carried out large-scale deployments and deliveries of our safety driving assistance products in Henan and Hebei Provinces, attributable to government-initiated projects requiring the installation of onboard active safety monitoring equipment for long-distance passenger vehicles, tourist charter buses, vehicles carrying hazardous goods and special-purpose vehicles. Revenue generated from the aforesaid large-scale deliveries in Henan Province amounted to RMB45.5 million, accounting for 11.5% of our total revenue in 2024, and increased to RMB57.3 million, accounting for 12.9% of our total revenue in 2025. Revenue generated from the corresponding large-scale deliveries in Hebei Province amounted to RMB53.1 million, accounting for 12.0% of our total revenue in 2025. Average customer value and average transaction value continued to increase, which aligned with the continued increase in customer retention rate and net dollar retention rate, driven by enhanced product offerings with higher unit prices and larger-scale orders from major clients.

BUSINESS

The following table sets forth the revenue, gross profit and gross profit margin during the Track Record Period by business segments:

	Intelligent Civil Aviation	Intelligent Commerce	Intelligent Driving Safety
Year ended 31 December 2023			
Revenue (RMB'000)	128,793	81,181	30,373
Gross profit (RMB'000)	67,713	19,687	11,639
Gross profit margin (%)	52.6	24.3	38.3
Year ended 31 December 2024			
Revenue (RMB'000)	228,837	96,982	68,978
Gross profit (RMB'000)	118,481	29,018	9,195
Gross profit margin (%)	51.8	29.9	13.3
Year ended 31 December 2025			
Revenue (RMB'000)	172,395	154,487	115,915
Gross profit (RMB'000)	102,026	49,378	19,007
Gross profit margin (%)	59.2	32.0	16.4

The following table sets forth the revenue, gross profit and gross profit margin during the Track Record Period by geographical locations:

	China	Overseas
Year ended 31 December 2023		
Revenue (RMB'000)	242,373	2
Gross profit (RMB'000)	100,958	2
Gross profit margin (%)	41.7	90.5
Year ended 31 December 2024		
Revenue (RMB'000)	395,169	13
Gross profit (RMB'000)	156,280	8
Gross profit margin (%)	39.5	64.0
Year ended 31 December 2025		
Revenue (RMB'000)	442,955	—
Gross profit (RMB'000)	169,953	—
Gross profit margin (%)	38.4	—

In 2023, the Group sold multimodal authentication modules to Japan, and in 2024, entered the Singapore market with in-vehicle driving safety products. No overseas sales were made in 2025. All overseas sales during the Track Record Period were conducted on single-transaction basis.

BUSINESS

The following table sets forth the sales volume, range and average selling price, revenue, gross profit and gross profit margin during the Track Record Period by products or solutions:

	Intelligent Civil Aviation			Intelligent Commerce			Intelligent Driving Safety	
	Smart Access Control Products	Smart Security Screening Products	Smart Passenger Service Products	Intelligent Business Solution	Intelligent Park Management Solution	Smart Door Locks	Safety Assistance Products	Driving Safety Products
Year ended 31 December 2023								
Sales volume <i>(Note)</i>	175	1,314	53	61	178	125,786	63,081	
Selling price range (RMB'000)	111.1-662.9	2.8-2,096.0	64.6-313.6	1.5-2,759.0	0.8-13,825.0	0.04-1.4	0.1-2.0	
Average selling price (RMB'000) <i>(Note)</i>	535.0	36.3	78.8	410.8	250.3	0.2	0.5	
Revenue (RMB'000)	82,850	42,246	3,697	22,176	39,425	19,580	30,373	
Gross profit (RMB'000)	40,696	25,178	1,840	7,216	9,825	2,645	11,639	
Gross profit margin (%)	49.1	59.6	49.8	32.5	24.9	13.5	38.3	
Year ended 31 December 2024								
Sales volume <i>(Note)</i>	433	1,149	188	121	164	95,356	138,968	
Selling price range (RMB'000)	163.8-834.3	2.8-74.0	31.3-313.3	2.2-4,997.8	0.7-12,506.8	0.03-1.2	0.1-0.8	
Average selling price (RMB'000) <i>(Note)</i>	468.8	37.4	67.0	500.6	186.1	0.2	0.6	
Revenue (RMB'000)	179,629	38,061	11,149	53,604	27,015	16,362	68,978	
Gross profit (RMB'000)	86,220	25,795	6,468	19,946	7,779	1,294	9,195	
Gross profit margin (%)	48.0	67.8	58.0	37.2	28.8	7.9	13.3	
Year ended 31 December 2025								
Sales volume <i>(Note)</i>	536	866	78	119	178	27,703	206,267	
Selling price range (RMB'000)	100.0-510.0	2.8-33.3	4.5-61.8	1.0-18,017.7	0.1-63,688.0	0.02-2.5	0.1-1.1	
Average selling price (RMB'000) <i>(Note)</i>	318.9	22.2	59.6	504.9	583.8	0.4	0.6	
Revenue (RMB'000)	151,266	17,017	4,112	53,168	91,957	9,361	115,915	
Gross profit (RMB'000)	93,973	5,785	2,268	22,587	24,358	2,432	19,007	
Gross profit margin (%)	62.1%	34.0%	55.2%	42.5%	26.5%	26.0%	16.4%	

Note: Sales volume and average selling price are calculated per unit for smart access control products, smart security products, smart passenger service products, smart door locks, and safety driving assistance products, and per sales order for intelligent business solutions and intelligent park management solutions.

Intelligent Civil Aviation

In 2023, we introduced new civil aviation products covering access control, security screening, and passenger services. These included Tickway Boarding Gates, millimetre wave body scanners, and MrRay Passenger Service Robot. All of these products are equipped with built-in advanced AI to support functions such as passenger screening, identity verification, and assisting with enquiries and navigation within airports. Their smart design adds more value for customers by reducing the need for ground staff, speeding up the screening or boarding process, enhancing identification and detection accuracy, and improving the overall passenger experience. These benefits allowed us to offer the products at higher prices, which contributed to higher profit margins for our civil aviation products.

Our intelligent civil aviation products vary in price based on specifications, configurations, and technology. For example, in access control, single-lane smart gates are priced lower than three-lane models. In security screening, prices differ by technical parameters, with our new millimetre wave body scanner introduced in 2023 priced higher than the existing WinGuard series due to its advanced technology. Similarly, in passenger services, the MrRay Passenger Service Robot, launched in 2023, is priced above our LINTIS series information terminals, reflecting its enhanced capabilities. Accordingly, changes in the mix of products delivered caused fluctuations overall gross profit margin of the segment in particular years during the Track Record Period.

In 2025, our civil aviation segment recorded a decline in revenue contribution, sales volume, selling price range, and average selling price, primarily attributable to a temporary slowdown in the bidding and procurement cycles of domestic airport renovation and expansion projects, resulting in a market trough and project delays during the year. Such slowdown was mainly due to the overall macroeconomic environment and relatively cautious capital expenditure planning by airport operators between 2024 to 2025, which led to delays in tendering and implementation. Based on industry data, communications with market participants and the analysis of Frost & Sullivan, the pace of bidding activities may remain subject to near-term uncertainties; however, demand relating to airport upgrades and intelligent transformation is expected to continue over the medium to long term. The Directors expect that the commencement of the 15th Five-Year Plan in 2026 will drive a new phase of construction activity, which is anticipated to gradually improve from the second half of 2026, with demand expected to recover more steadily during 2027 to 2028. In particular, at the National Civil Aviation Work Conference held in January 2026, the Civil Aviation Administration of China identified the coordinated advancement of civil aviation infrastructure construction and the acceleration of aviation hub system construction as key tasks for the 15th Five-Year Plan period. For example, such infrastructure initiatives include the new Guangzhou airport, the new Dalian airport, aviation hub developments in Nanjing, Nantong and Shanghai, and the expansion and upgrade of Chengdu Tianfu International Airport.

Intelligent Commerce

For intelligent commerce, our intelligent business and intelligent park management solutions are highly flexible and scalable, with pricing that varies based on the scope and complexity of each project. Smaller contracts may involve the sale of a single hardware device, while larger projects typically include multiple devices integrated with our SINHON Business System or FacePass Park Management Platform. These comprehensive solutions often include software implementation, customisation, and ongoing support within the warranty period, all of which contribute to a higher overall contract value. In 2025, the intelligent commerce segment recorded higher gross profit margins, primarily driven by an increase in service-based and software-only sales. This included maintenance service for the SINHON Business System and customer traffic analytics products, as well as AI identification software used in intelligent park solutions. Without hardware costs, these offerings are less costly to deliver and therefore improved gross profit margin for this segment during the period.

Smart Door Locks and Smart Door Lock Modules prices vary by configuration, with models featuring multi-modal authentication carrying a higher price due to their advanced features. The decline in profitability of the Smart Door Locks is primarily attributable to intensified competition within the industry. Due to relatively low entry barriers, an increasing number of participants have entered the market, leading to severe price competition and compressed profit margins. This has resulted in a challenging operating environment where volume-driven strategies often outweigh value-based differentiation, thereby affecting overall segment profitability.

From 2023 to 2024, increased market competition, particularly from lower-priced products offered by competitors, led to a decline in both the sales volume and revenue of Smart Door Locks, which in turn further compressed gross profit margin during this period. However, in 2025, the product mix shifted, with a growing share of revenue attributable to custom-built smart door locks and standalone identification software related to Smart Door Locks. These non-hardware offerings typically have lower delivery costs compared to selling door lock units or modules, which temporarily improved the gross profit margin.

Intelligent Driving Safety

For intelligent driving safety, the pricing of Driving Safety Analysis Device or Driving Safety Analysis Modules varies by specification. Standardised models are available at a lower price, while the higher pricing is associated with customised onboard kits, which involve increased costs due to tailored features and configurations.

The gross profit margin of the intelligent driving safety segment varied over time, reflecting changes in product mix and operational factors. In 2023, the gross profit margin was relatively high due to a higher share of sales from customised, higher-priced products, especially to customers who assemble for export to their own clients. In 2024, the gross profit margin decreased as we sold a batch of older model products at reduced prices, and decline in sales of higher-margin overseas-oriented models also impacted gross profit margin. In 2025, the gross profit margin improved but remained generally comparable to the level in 2024, as sales of higher-margin overseas-oriented models continued to decline, while a larger portion of revenue came from provincial large-scale deployments, which generally carried lower margins. This was mainly due to the sale of semi-finished products to Customer D, who assembles them with other components for onward sale. We also continued to sell some older model products at discounted prices, which negatively impacted gross profit margins.

The following table sets forth the sales volume, range and average selling price, revenue, gross profit and average profit margin during the Track Record Period by sales channels:

	Intelligent Civil Aviation		Industrial Complex		Intelligent Commerce		Intelligent Driving Safety	
	System Integrators ⁽¹⁾	Commercial Real Estate Developers	Developers/Operators	Door Lock Manufacturers and Integrators	Other ⁽²⁾	In-vehicle Equipment Manufacturers ⁽⁶⁾	Telecommunications Operator ⁽³⁾⁽⁶⁾	
Year ended 31 December 2023								
Sales volume ⁽⁵⁾	1,542	50	146	125,786	43	63,081	—	
Selling price range (RMB'000)	2.8–2,096.0	1.5–2,759.0	0.4–4,759.8	0.04–1.4	2.5–13,825.0	0.1–2.0	—	
Average selling price (RMB'000) ⁽⁵⁾	94.4	483.9	118.7	0.2	653.2	0.5	—	
Revenue (RMB'000)	128,793	21,413	15,333	19,580	24,855	30,373	—	
Gross profit (RMB'000)	67,714	6,609	4,732	2,645	5,700	11,639	—	
Gross profit margin (%)	52.6	30.9	30.9	13.5	22.9	38.3	—	
Year ended 31 December 2024								
Sales volume ⁽⁵⁾	1,770	110	158	95,356	17	64,770	74,198	
Selling price range (RMB'000)	2.8–834.3	1.6–4,997.8	0.1–12,506.8	0.03–1.2	2.2–1,838.8	0.1–0.8	0.7 ⁽⁴⁾	
Average selling price (RMB'000) ⁽⁵⁾	146.1	548.3	172.6	0.2	206.4	0.4	0.7	
Revenue (RMB'000)	228,838	53,377	24,137	16,362	3,105	23,003	45,975	
Gross profit (RMB'000)	118,483	19,745	6,226	1,294	1,754	2,518	6,677	
Gross profit margin (%)	51.8	37.0	25.8	7.9	56.5	10.9	14.5	
Year ended 31 December 2025								
Sales volume ⁽⁵⁾	1,480	103	169	27,703	24	178,931	27,336	
Selling price range (RMB'000)	2.8–510.0	1.0–18,017.7	0.1–63,688.0	0.02–2.5	2.3–324.5	0.1–1.1	0.5–0.6	
Average selling price (RMB'000) ⁽⁵⁾	131.6	580.4	608.0	0.4	61.0	0.6	0.6	
Revenue (RMB'000)	172,395	52,905	90,925	9,361	1,296	101,167	14,748	
Gross profit (RMB'000)	102,026	22,489	23,889	2,433	568	16,902	2,105	
Gross profit margin (%)	59.2	42.5	26.3	26.0	43.8	16.7	14.3	

Notes:

- (1) We primarily sell our intelligent civil aviation products to third-party system integrators, who gain legal ownership upon purchase and integrate our products into comprehensive solution offerings for airports. The system integrators we work with generally engage in integrating IT and operational systems for airports. They procure hardware from vendors such as us, and deliver standardised solutions combining hardware and software. They also coordinate supplier selection, integration of deliverables from various parties, and overall project management. According to Frost & Sullivan, it is standard industry practice for airports to engage system integrators during their procurement process. This approach gives airports access to integrated products and services without separate negotiations with multiple vendors. These airports typically define the strategic objectives and budgetary parameters and appoint system integrators to manage implementation instead of directly contracting with us.
- (2) Other mainly include retail stores and developers or operators of other public spaces such as schools and transport stations.
- (3) We entered into contract either directly with the telecommunications operator or with its recognised procurement entity for the sale of our Driving Safety Analysis Device and our Recadas Safety Risk Management Platform, as part of government-led initiative to upgrade monitoring systems for cargo vehicles. The telecommunications operator acted as the overall contractor and incorporated our products and services into its integrated technical solution, with us serving as the equipment and platform provider.
- (4) We only sold driving safety assistance products to Customer F in Henan Province, and therefore the selling price range is not applicable.
- (5) Sales volume and average selling price are calculated per unit for products sold, and per sales order for solutions provided.
- (6) In 2023, our intelligent driving safety products were primarily sold to in-vehicle equipment manufacturers that assemble our products for supply to their overseas customers. In 2024, our sales to these manufacturers increased slightly, and we also began selling to a new customer, Customer F, a recognised procurement entity approved by the telecommunications operator. To the best knowledge of the Directors, this demand was driven by government initiatives in Henan Province to promote the installation of driving safety devices in cargo vehicles. In 2025, deliveries to Customer F continued, and we also made additional sales to Customer D, an in-vehicle equipment manufacturer. To the best knowledge of the Directors, Customer D integrates our products and supplies them to its downstream customer, whose procurement is similarly driven by a local government initiative in Hebei Province.

SPECIALIST TECHNOLOGY INDUSTRIES

Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that, each of our products or solutions falls within an acceptable sector of a Specialist Technology Industry under Chapter 18C of the Listing Rules as AI-empowered algorithm programming and AI solutions and/or robot technology on the following basis: (i) they are powered by self-developed computer vision algorithms for visual perception, visual cognition, and visual reasoning, and (ii) our intelligent civil aviation products use AI and computer vision to streamline and automate check-in, security screening, boarding, and passenger services at airports.

The table below sets forth a summary of how our products and solutions fall within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Business Line	Specialist Technology Products	Acceptable Sectors	Main Function Analysis	Major Customer Type and Customer Demand Drivers
Intelligent civil aviation	Smart access control products Smart security screening products Smart passenger service products	AI (AI-empowered algorithm programming and AI solutions) Robotics and automation (robot technology)	Our civil aviation products are powered by self-developed AI vision technologies and algorithms that combine computer vision, multi-modal sensing, deep learning, and LLM capabilities. These technologies form the foundation of our visual perception and intelligent decision-making framework, driving digital transformation and automation across check-in, boarding, security screening, baggage handling, and passenger services in airports. By leveraging advanced AI vision, our products enhance operational efficiency, lower labour and maintenance costs, and elevate the passenger experience while upholding high standards of safety and reliability. They increase accuracy in security screening, expedite check-in and boarding, and enable intelligent human-machine interaction in passenger services. These capabilities significantly reduce reliance on manual processes, minimise human error, and streamline airport operations through intelligent automation.	Our customers are primarily system integrators who secure bids and procure our products for installation, with airports as the end users. The system integrators are responsible for overall management and ensuring our solutions meet the operational and security requirements of airports while facilitating successful implementation. The enterprise visual AI product market for civil aviation in China is driven by continuous technological innovation, accelerating digital transformation, and supportive government policies. Advancements in AI algorithms and perception technologies are enhancing product capabilities such as recognition accuracy and response speed, enabling deeper integration with aviation operations. As the civil aviation industry grows and passenger expectations rise, there is strong demand for intelligent solutions that improve efficiency and service quality. Technologies such as multimodal authentication and behaviour analysis are being widely adopted to streamline airport processes and enhance passenger experience. In addition, favourable national policies promoting smart civil aviation and digital infrastructure further support market expansion and encourage innovation among industry players.

Business Line	Specialist Technology Products	Acceptable Sectors	Main Function Analysis	Major Customer Type and Customer Demand Drivers
Intelligent commerce	Intelligent business solution	AI (AI-empowered algorithm programming and AI solutions)	<p>SINHON Business System is a unified BI system for commercial real estate sector, powered by AI algorithms and LLMs. It enables automated, data-driven operations by analysing visitor behaviour, foot traffic, and movement patterns. Integrated subsystems support precision marketing, loyalty management, and customer engagement, while simulation and modelling tools optimise resource allocation and campaign planning. These subsystems create a closed-loop ecosystem that enhances operational efficiency, customer interaction, and strategic decision-making.</p>	<p>Our customers are primarily commercial real estate developers.</p> <p>The enterprise visual AI product market for commercial space in China is driven by the rapid growth of the commercial market and the increasing demand from merchants for intelligent solutions. As consumers seek higher quality services and more personalised experiences, visual AI products offer functions such as merchant navigation, smart recommendations and targeted promotions. At the same time, businesses are using these technologies to analyse customer behaviour, improve marketing strategies and enhance operational efficiency. Demand from both consumers and enterprises is contributing to the growth of visual AI applications across commercial spaces in China.</p>
Intelligent park management solution	Intelligent park management solution	AI (AI-empowered algorithm programming and AI solutions)	<p>Our intelligent park management solution delivers secure, automated access control and personnel management for business parks, industrial parks, and transport stations. Leveraging AI algorithms and IoT connectivity, it enables 24/7 intelligent access, attendance tracking, and visitor management. These technologies ensure reliable performance in complex environments, enhance operational efficiency, reduce manpower, and support data-driven decision-making to secure facility management.</p>	<p>Our customers primarily include industrial complex and public park developers/operators.</p> <p>The industrial parks are also driving the enterprise visual AI product market from the demand side. Industrial parks are seeking the application of visual AI products in security monitoring, visitor management, and other related scenarios, which drives the innovation and adoption of enterprise visual AI products. At the same time, the digital transformation and intelligent upgrading of industrial parks are attracting an increasing number of enterprise visual AI product providers to invest in R&D, thereby further driving market development.</p>

Business Line	Specialist Technology Products	Acceptable Sectors	Main Function Analysis	Major Customer Type and Customer Demand Drivers
Intelligent driving safety	Smart Door Locks	AI (AI-empowered algorithm programming and AI solutions)	Our Smart Door Locks include both hardware modules with built-in multimodal recognition algorithms and complete lock devices. The modules utilise meta-learning-based pruning and knowledge distillation optimisation, enabling efficient operation on low-computing-power hardware to reduce both cost and energy consumption. The complete devices are equipped with IoT connectivity solutions and adopt advanced optical and liveness detection technologies, making them suitable for a wide range of scenarios such as hotels and campuses. They are designed to support large-scale deployment and intelligent centralised management.	Our customers primarily include door lock manufacturers and integrators. The demand of system integrators and door lock manufacturers for improved product functionality and performance has prompted enterprise visual AI product providers to continuously optimise their visual and AI technologies, driving technological innovation and upgrading in the enterprise visual AI product market.
Intelligent driving safety	Driving safety assistance product	AI (AI-empowered algorithm programming and AI solutions)	Our self-developed driving safety assistance products adopt an “edge-cloud” collaborative architecture to establish a comprehensive risk prevention and control system for freight transport scenarios. The Driving Safety Analysis Device, powered by visual analysis algorithms, detects and uploads driver behaviour data such as fatigue, distraction, and mobile phone usage. The cloud-based risk control platform analyses vehicle operation data using AI algorithms to classify vehicle risk levels and generate driver risk profiles, enhancing fleet operators’ safety management and supporting insurance companies in reducing claims payouts.	Our customers are mainly telecommunication companies and in-vehicle equipment manufacturers. The enterprise visual AI product market for driving safety in China is driven by rising safety concerns, rapid growth in commercial logistics, and supportive government policies. Human error remains a major cause of traffic accidents, prompting strong demand for intelligent early warning systems to enhance road safety. As the driving safety industry expands and truck usage increases, companies are turning to visual AI products to protect drivers, vehicles and cargo. Moreover, government initiatives promoting the use of intelligent monitoring systems in heavy goods vehicles are accelerating market adoption. These factors collectively create a favourable environment for the continued development and application of visual AI products in China’s driving safety sector.

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COMMERCIALISATION

The following table illustrates the key commercialisation timeline of our major products:

Business Line	Specialist Technology Products	Year of Launch	Year of commencement of revenue generation
Intelligent civil aviation	Smart access control products	2021	2021
	Smart passenger service products	2019	2019
	Smart security screening products	2017	2018
	Baggage handling robots	2025	2026
	Full-colour night vision products	2025	2026
Intelligent commerce	Intelligent business solution (SINHON Business System)	2017	2017
	Intelligent park management solution	2018	2018
	Smart Door Locks	2020	2021
Intelligent driving safety	Safety driving assistance products	2018	2018

COMPETITION

The enterprise visual AI product market industries in which we operate are characterised by a high degree of competition and fragmentation. We compete with both specialised AI technology companies in the industry sectors we have entered and other market participants that currently lack specific AI capabilities in such sectors but may seek to develop and commercialise their own AI algorithms and expand their product offerings in ways that directly compete with ours. Our competitors may benefit from a longer operational track record, greater financial resources, more advanced technological capabilities and a broader or more established customer base. As we continue to expand into new application scenarios and industry verticals, we anticipate encountering new forms of competition. Our competitors may be able to respond more rapidly and effectively to emerging opportunities, technological advancements, regulatory changes or shifts in customer demand. In addition, we may face competition from our existing and prospective customers if they begin to develop AI solutions in house. We may also face increasing competition from new market entrants, including those that offer lower cost solutions or introduce new technologies and products. Such entrants may include well established technology companies with significant financial strength, sophisticated technological expertise and extensive distribution networks. Furthermore, global technology companies, whether entering the China market independently or through strategic partnerships or acquisitions of local AI companies, may also emerge as future competitors.

CORE TECHNOLOGIES

We focus on computer vision, with core technologies based on the integration of computer vision algorithms and optical imaging. We have established a full-stack technology framework from R&D to product deployment. Our core capabilities are structured into three levels, namely base technology, fusion technology and building block technology. Based on this, we have built visual intelligence agent modules to support multi-scenario product delivery.

Base Technology

Algorithms

Our computer vision algorithms encompass image processing, deep learning models, and VLM:

- **Image processing algorithms.** Our image processing algorithms perform noise reduction, deblurring, resolution enhancement, and distortion correction, and help ensure imaging clarity under complex scenarios.
- **Deep learning vision algorithms.** Our deep learning vision algorithms are built upon self-developed NovaDet, NovaID, and NovaTrack architectures, which support an integrated “training-inference-quantisation” process and enable real-time detection and recognition of targets such as people, vehicles, and other objects, as well as cross-device association analysis. Our liveness detection algorithm ranked among the top five in the 2021 International Conference on Computer Vision (ICCV) competition, and received “Excellent” certification from the China Academy of Information and Communications Technology (CAICT).
- **VLM.** Our self-developed QTune VLM supports multi-sensor fusion input, semantic understanding, intelligent decision-making, and task planning as well as lightweight deployment on edge chips with low computing power. In May and August 2025, our QTuneVL series lightweight model ranked among the top globally on the OpenCompass lightweight model (<4B) leaderboard (QTuneVL1.5–2B ranked 6th, and QTuneVL1.5–3B ranked 4th). In November 2025, the proprietary Reconova QTune VLM has successfully completed algorithm filing with the Cyberspace Administration of China.

Optical imaging

Our optical imaging technology delivers stable imaging in environments ranging from strong bright (100,000 lx) to extremely low light (0.005 lx). Our end-to-end optical system achieves over 90% utilisation of dynamic range. In addition, our self-developed TargetAE technology enables exposure optimisation for specific target areas to increase clarity in key areas without increasing computational burden. Built on a multi-sensor fusion architecture, we achieve spatio-temporal alignment of multiple input sources to generate consistent images.

Large-Scale Datasets

We have built a large visual dataset that includes self-collected, public, simulated, and AI-generated data. The dataset covers complex and uncommon scenarios, supporting large scale model training and optimisation, as well as real-world applications in areas such as robotics and automation.

Fusion Technology

We integrate multiple technologies, including algorithms, optics, hardware and data, to enhance the overall performance of our AI vision capabilities:

- **Algorithm-Algorithm.** We adopt end-to-end training to align all algorithm modules. We apply a MoE approach to enhance efficiency and performance while reducing demands on computation. We also adopt retrieval-augmented generation (RAG) techniques to integrate industry knowledge bases, helping to reduce hallucination in large models. In addition, we employ multi-agent collaborative planning to support complex tasks.
- **Optics-Algorithm.** We optimise traditional ISP pipeline through our AI-ISP technology, achieving full-colour imaging in ultra-low-light environments. We also apply deep neural network-based image fusion techniques to enable multi-spectral data fusion.
- **Hardware-Algorithm.** We have developed multi-sensor fusion algorithms and motion planning algorithms to support applications such as robot chassis and end-effectors. For edge chips with low computing power, the self-developed “NeuEdge” architecture integrates techniques such as channel pruning, knowledge distillation, and instruction optimisation to improve computational efficiency while reducing power consumption and cost.

- **Data-Algorithm.** We use technologies such as automatic labelling, data augmentation and generation, few-shot fine-tuning, and semi-supervised learning to reduce the cost of building high-quality datasets.

Building Block Technology

We possess the capability to design and develop core components of visual AI products. Building on the base technology and fusion technology, we have developed modular components including an optical system, a cognition and decision engine, interaction and execution units, and a data middle platform that supports reuse and collaborative integration.

- **Optical system component.** Our optical system component includes lens processing and parameter matching, sensor adaptation, and AI-ISP chip design and tuning. It can adapt to different lighting conditions and supports scenario-specific optimisation and iteration.
- **Cognition and decision component.** We deploy self-developed neural network architectures, namely, NovaDet, NovaID, and NovaTrack, and the QTune VLM, on various types of edge chips to provide on-device intelligence. Our NeuEdge architecture improves chip utilisation, achieving low power consumption and high performance.
- **Interaction and execution component.** Our interaction and execution component is responsible for transforming cognition and decision into precise physical actions and information feedback. We integrate SLAM technology to enable high-precision positioning and navigation in complex environments. We combine real-time motion planning and trajectory tracking algorithms to drive devices such as robotic arms to perform complex tasks. At the same time, we introduce force control technology to support safe human-machine interaction, and apply the QTune VLM to enable semantic understanding, multi-turn dialogue, and instruction execution.
- **Data middleware component.** We design data middleware which supports large-scale data processing and analysis. Using cloud-native elastic architecture, we support processing, feature extraction, and cross-domain analysis of large-scale visual data, applying rule engines and machine learning for behaviour analysis, trend prediction, and decision support. Our data middleware also has high-reliability and high-compatibility architecture.

Visual Intelligence Agent

We have developed three major visual intelligence agents, namely, RecoSee Visual Perception Intelligence Agent, RecoAware Visual Cognition Intelligence Agent, and RecoThink Visual Reasoning Intelligence Agent, and achieved a full spectrum of visual capabilities from perception to recognition and further to reasoning.

- **RecoSee** has the capability to “see” clearly, supporting high-definition imaging and real-time detection of small and multiple targets under various complex lighting and weather conditions, operating around the clock and in all environments.
- **RecoAware** has the capability to “understand”, enabling accurate recognition of people, vehicles and objects, as well as analysis of their attributes. It also supports cross-domain tracking and behaviour understanding of multiple targets.
- **RecoThink** has the capability to “think”, enabling visual semantic understanding in open-ended scenarios, as well as end-to-end decision reasoning and task planning. It allows the system to interpret context, infer relationships, and make decisions based on visual input.

RESEARCH AND DEVELOPMENT

Our R&D team comprises 105 members, representing about half of our total employees, as at 31 December 2025. Each member of our core R&D team has over 10 years of experience in AI technologies as well as software and hardware technology, and extensive expertise in their respective specialised fields. The following table sets out their profiles:

R&D Team**Core R&D team member****Profile**

Dr. He Yifan
(何一凡博士)

Dr. He is our chief technology officer and the president of the research institute of our Company. He holds a doctoral degree in electrical engineering from Eindhoven University of Technology in the Netherlands and the professorate senior engineer qualification. Dr. He has been awarded titles of Fujian Province Industry Leading Team Leader (福建省產業領軍團隊領軍人才) and Fujian Province High-level A Talent (福建省高層次A類人才). Dr. He specialises in AI algorithm optimisation and processor architecture design. See “Directors and Senior Management.”

Dr. Jia Baozhi
(賈寶芝博士)

Dr. Jia is the deputy director of our research institute and head of the algorithm centre. He holds a doctoral degree from the University of Science and Technology of China and the senior engineer qualification. Dr. Jia has been awarded titles of Fujian Province Industry Leading Team Leader (福建省產業領軍團隊領軍人才) and Xiamen High-level Talent (廈門市高層次人才). He led or participated in various major national, provincial, and municipal research projects, holds more than 30 invention patents, and participated in formulating of various national standards in AI. Dr. Jia focuses on AI algorithms and their applications, and has more than 10 years of research experience.

Mr. Shi Miaohong
(史淼泓先生)

Mr. Shi Miaohong is the general manager of our commercial robotics division. He holds a master degree from Sun Yat-sen University. He has participated in the development of a number of AI service robotics programmes, and invent more than 10 AI-related invention patents. Robotics products developed under his leadership have achieved industry-leading recognition, winning prestigious international awards such as the MUSE Design Award, A’ Design Award, and iF Design Award. See “Directors and Senior Management.”

Dr. Su Xiaosheng
(蘇曉生博士)

Dr. Su is our chief scientist. He holds a doctoral degree from Tsinghua University. As a member of the Fujian Provincial Industry Leading Talent Team, Dr. Su has been dedicated to the field of computer vision algorithms, with over 20 years of research experience. See “Directors and Senior Management.”

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The salient terms of agreements with key management and technical personnel are set out below:

- **Ownership of intellectual properties.** We retain all intellectual property rights, including patents, self-developed technology, copyrights, and trade secrets, to any inventions, works, software, technical secrets, or other commercial secret information created by employees during their term of employment, either in the course of performing their duties or primarily using our material, technical resources, or business information. Any inventions or creations developed by employees within one year after leaving their position, if connected to the tasks assigned during their employment, shall remain as our intellectual property.
- **No conflict.** During the term of employment, employees shall not, without prior written consent, hold any position in other enterprises, organisations, or social groups that produce or operate similar products or provide similar services as we do.
- **Confidentiality.** Employees shall not, during their employment or at any time thereafter until the confidential information becomes publicly and lawfully available or we provide written confirmation that confidentiality is no longer required, disclose, publish, provide, or otherwise make known to any third party any confidential information, nor use such information for purposes beyond the confidentiality agreement. Confidential information includes technical secrets (e.g., product designs, reports, technical data) and business secrets (e.g., financial, personnel, marketing, and management information), as well as other undisclosed self-developed materials. Employees are also prohibited from providing to others, or removing from designated areas, any documents containing our confidential information, whether in electronic or physical form, without prior written consent.
- **Non-compete.** During the term of employment, employees are prohibited from engaging in any activities that compete with our business. Key management and technical personnel are also subject to a non-compete period following the termination of the employment relationship.

During the Track Record Period and up to the Latest Practicable Date, we did not have any legal claims or proceedings that may have a material adverse impact on our key R&D projects and business operations.

R&D Expenditure

Our R&D expenditure amounted RMB46.6 million in 2023, RMB53.1 million in 2024, and RMB71.9 million in 2025.

R&D Process

We are committed to conducting R&D internally and did not participate in any significant outsourced or collaborative R&D activities during the Track Record Period. We have established an end-to-end integrated product development (“IPD”) management system to enable efficient collaboration throughout the entire product lifecycle.

Initiation

The product department takes leads of the initiation phase, with the involvement of key members from relevant teams. A comprehensive analysis of the proposed product is conducted from multiple perspectives, including technology, product features, market potential and future positioning. The final proposal is then submitted to the product decision committee for project initiation approval and decision-making.

Concept

Upon approval of the project proposal, a project team is appointed to commence the concept phase. During this phase, product development team conducts an in-depth revalidation of market and product requirements to ensure alignment with our product roadmap and strategic vision. Key activities in the concept phase include market feasibility analysis, technical feasibility analysis, and defining product requirement specifications. The first technical review milestone, the product requirement review (TR1), is completed during this phase. The concept phase concludes with the development of the product requirement specifications and an initial business plan. Following these steps, the product development team manager submits the project for a concept phase decision review. Upon approval by the product decision committee, the project advances to the planning phase.

Planning

The primary objective of the planning phase is to break down and allocate product requirements, undertake the overall design of the product, further refine the business plan, and detail the product development plan. During this phase, the preliminary designs of individual modules are completed, and two key technical review milestones must be achieved in this phase, namely the overall design review (TR2) and the preliminary design review (TR3). The planning phase concludes with the preparation of the final business plan. Following approval by the product decision committee, the project progresses to the development phase.

Development

The development phase focuses on designing and developing the product. Two key technical review milestones must be completed during this phase, namely the prototype testing readiness review (TR4) and the R&D design finalisation review (TR5). Concurrently, manufacturing process development related to the new product is carried out to ensure that all manufacturing requirements are met and that the product is suitable for production.

Validation

The validation phase involves activities such as organising beta testing and other external certification testing to validate the product and ensure its functionality meets market requirements. This phase also includes trial production to assess supplier capabilities and manufacturing processes, ensuring readiness for full-scale production and delivery. Once the key activities in the verification phase are completed, the product development team manager submits the project to the product decision committee for a decision review to mitigate potential investment risks arising from market changes and assessing the readiness of all areas prior to product launch. Upon approval, the project formally progresses to the release phase.

Release

The release phase involves completing market-related product training, formally launching the product, and introducing it to the market to provide products that meet customer requirements. This phase also includes the finalisation of production-related technical documentation and transitioning to mass production.

Key Research Projects

We focus on advancing and applying our core technologies to upgrade existing products, and further enrich our product portfolio across industries. Our key research projects include:

Product upgrades and new products

- **Tickway Access Gates.** We will develop standardised modular components to reduce installation and transport costs. Upgraded chip performance and industrial design will enhance overall product functions and features. Expect to launch in 2026 and commercialise in 2027.
- **MrRay Passenger Service Robot.** We will develop a modular and general-purpose chassis to support AI-enabled ground services such as passenger guidance, with enhanced interactivity. Expect to launch in 2027 and commercialise in 2028.
- **SINHON Business System.** We will upgrade core functions such as scene understanding and autonomous decision-making by replacing previous small model implementations with LLMs and VLMs, boosting overall system intelligence. Expect to launch in 2026 and commercialise in 2027.
- **Safety driving assistance.** We will develop low-power visual models across ADAS, BSD, and OMS to reduce costs and expand product range. We will also develop models for the European Union and the United Kingdom standards to support global expansion. Expect to launch in 2026 and commercialise in 2027.
- **Baggage handling robot.** Following the launch of our first-generation AntOne Baggage Handling Robot, we will develop a second-generation model featuring multimodal sensing, high-accuracy ground-rail positioning, adaptive end-effectors and advanced control systems to enhance object perception, motion planning and active safety, with the goal of fully automated baggage. Expect to launch commercialise in 2027.
- **Intelligent embodied robot.** We will develop a wheeled dual-arm robot capable of handling complex, irregular baggage items. Beyond transfer scenarios, it will expand into human-robot interaction use cases at airports and malls, such as trolley collection, autonomous inspection, and passenger guidance. Expect to launch in 2027 and commercialise in 2028.
- **Full-colour night vision products.** Following the launch of our first-generation products, we will develop a second-generation model designed to operate under lower light levels (as low as 0.0001 lx) and to incorporate AI-powered perception and scene-understanding capabilities. Expect to launch in 2026 and commercialise in 2027.
- **Intelligent spatial analysis model engine for commercial spaces.** We will upgrade to a cloud-edge-device architecture that coordinates large and small models in real time, enabling detection of complex anomalies such as fire or garbage overflow. The engine will autonomously generate work orders and notify management and staff accordingly. Expected to launch and commercialise in 2027.

Technology development

- **Deep learning algorithm.** We continuously iterate visual AI algorithms, with each version improving accuracy while reducing computational load and power consumption, ensuring high-performance and low-cost deployment across real-world applications.
- **3D vision algorithm.** We will introduce two new 3D camera solutions using binocular stereo matching and iToF technologies to support robotic vision tasks. These will be applied in smart boarding gates for anti-tailgating and across all robot-related products.

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- **End-to-end VLMs.** We will fine-tune VLM technologies for various application scenarios to replace traditional small deep learning models in scenarios requiring higher accuracy. Lightweight versions will be deployed on edge-side chips and integrated into products such as smart boarding gates and robots.
- **End-to-end VLA models.** We will adopt VLA technology to replace earlier small-model visual and motion planning algorithms, improving handling robots' adaptability to real-world environments and their ability to solve complex tasks.
- **Multi-agent collaboration and embodied intelligence.** We will develop new multi-agent coordination algorithms to enable collaboration among multiple robots in environments such as airports and malls.
- **Optical imaging.** We will integrate wide-range imaging optimisation technologies, with a focus on adaptive full-illumination imaging performance in specific application scenarios.
- **AI-ISP technologies.** We will continuously optimise night-time imaging to improve signal-to-noise ratio and enhance image quality in rain and fog conditions.
- **Depth enhancement technologies.** We will develop depth enhancement technologies by fusing binocular stereo matching and iToF to support high-accuracy distance sensing in robotic vision modules.

R&D Facilities

Our R&D activities are primarily conducted at our headquarters, where dedicated teams focus on product design and technology and algorithm development. In addition, we have leased a premise in Bao'an District, Shenzhen, for inventory storage, R&D and pilot production, where we have established small-batch assembly capabilities for multimodal authentication panel devices and smart gate products to support proof-of-concept projects and small-scale orders. See “— Properties — Leased Properties” for further details.

INTELLECTUAL PROPERTY RIGHTS

As at 31 December 2025, we owned: (i) 188 registered patents, of which 175 were internally developed and 13 were co-developed with third parties, and there are no contractual tenure and material payment obligations associated with such co-owned patents; and (ii) 128 software copyrights. See “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group.”

The following table sets forth material registered patents in connection with our core technologies as at the Latest Practicable Date:

No.	Core Technologies Involved	Patent/Software Copyright	Patent Certificate Number	Application to Our Products and Solutions
1	Base technology — algorithm	A Fatigue Detection Method Using Deep Learning (一種基於深度學習的疲勞檢測方法、系統和計算機設備)	ZL201811087559.7	Safety driver assistance product
2	Base technology — algorithm	Dangerous Driver Action Recognition Using YOLOV3 (一種基於YOLOV3司機危險動作識別方法及系統)	ZL201911220885.5	Safety driver assistance product
3	Base technology — algorithm	Customer Type Identification Method (一種顧客類型判斷方法、系統、設備和介質)	ZL20201010177123.8	Intelligent business solution
4	Base technology — algorithm	Image Classification Model Construction Based on CLIP (基於CLIP快速構建圖像分類模型的方法)	ZL202311719576.9	Smart access control product; Smart security screening product; Smart passenger service product; Intelligent business solution
5	Base technology — algorithm	Multi-Object Tracking Based on Appearance Quality (基於外觀特徵質量篩選的多目標跟蹤方法及應用)	ZL202411002388.9	Intelligent business solution
6	Fusion technology — algorithm and optics	Dark Image Enhancement Using Deep Learning (深度學習模型的暗光圖像增強方法)	ZL202411206290.5	Smart security screening product; Intelligent park management solution
7	Building block technology — integrated hardware-software design	Multi-Sensor Fusion for Anti-Tailgating (一種多傳感器信息融合的開機防尾隨方法、裝置、設備和介質)	ZL202110141686.6	Smart access control product
8	Building block technology — integrated hardware-software design	Millimetre Wave Screening with Multimodal Identity Authentication (基於多模態無感身份認證的毫米波安檢方法及裝置)	ZL202210646144.9	Smart security screening product
9	Building block technology — integrated hardware-software design	Vehicle Blind Spot Detection System (一種車輛盲區的檢測系統)	ZL202210490050.7	Safety driver assistance product
10	Building block technology — integrated hardware-software design	Special Passenger Identification in Transit Hubs (基於圖像語義識別的場站特殊旅客識別和交互系統及方法)	ZL202311044432.8	Smart access control product; Smart security screening product; Smart passenger service product

According to the Patent Law of the People’s Republic of China, an invention patent registered in China is valid for 20 years from the filing date of application. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) there have been no significant disputes or pending legal proceedings related to intellectual property rights with third parties; (ii) we did not have any instances of infringement of third parties’ intellectual property rights; and (iii) we had not licensed or transferred any of our material intellectual properties to third parties. See “Risk Factors — Risks Relating to the Research and Development and Intellectual Property Rights of Our Products.”

Protection of Our Intellectual Property Rights

We place great importance on protecting our proprietary technologies and trade secrets, especially when working with third-party manufacturers. To prevent unauthorised copying or misuse of our software, we have implemented both technical and contractual controls.

From a technical perspective, we safeguard our self-developed algorithm software by binding it to the unique electronic ID of the hardware circuit board components. This means that our software cannot be copied or used independently by third-party manufacturers. During the production process, the manufacturer must request and obtain remote authorisation from our licence server. Without this authorisation, production cannot proceed. Each unit of hardware produced contains software that is uniquely linked to that specific device. If the software is separated from the authorised hardware, it will not function. This mechanism ensures that our software can only operate on authorised devices and cannot be reused or transferred.

In addition to technical safeguards, we also rely on legal protections through our contracts. Our agreements with third-party manufacturers include strict confidentiality provisions, which require them to protect all proprietary information we provide. These contracts clearly state that any use of our software, designs or other confidential materials is strictly limited to the purpose of fulfilling our production requirements. Manufacturers are prohibited from using, copying, reverse-engineering or disclosing any of our technology to other parties without our consent. In cases where we believe there is a risk of misuse, we may suspend or terminate the manufacturer’s access to our systems and licence server.

During the Track Record Period and up to the Latest Practicable Date, we have not encountered any breach of confidentiality, leakage, loss, misappropriation, or any unauthorised use of our trade secrets, nor have we identified any infringement of our intellectual property rights by our contract manufacturers or other third parties.

Co-developed and Co-owned Patents

As at 31 December 2025, we had registered 13 patents that were co-developed or co-owned with third parties. These third party co-developers or co-owners include academic institutions in Xiamen and Shenzhen and industry participants in the civil aviation sector, comprising both upstream parties such as Supplier F, being our hardware, suppliers, and downstream parties such as airport groups. Our collaborations with academic institutions were primarily driven by the opportunity to leverage their complementary research expertise and technological capabilities in the development process, particularly in early stage ideation and testing phases.

Under the terms of our cooperation agreements with academic institutions, all rights in the jointly developed patents, including the right to apply for, transfer or license the patents, are jointly owned by both parties. Where one party intends to independently commercialise or license a jointly owned patent, it must obtain the prior written consent of the other party. In the case of sublicensing or granting implementation rights to third parties, whether on an exclusive or non-exclusive basis, both parties must reach prior agreement before such rights may be granted. All patent applications, prosecution, registration and maintenance fees, including agency fees, are to be borne equally by both parties. If either party elects to stop paying such costs, it must notify the other party at least ten days in advance. The party ceasing payment will be deemed to have waived its rights to the relevant patents unless otherwise agreed. In such cases, the other party may assume full ownership upon

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covering the associated fees, although prior revenue sharing arrangements will remain binding unless expressly waived. These agreements also stipulate that any future modifications, enhancements or derivative developments based on the jointly developed intellectual property will be jointly owned and commercialised by mutual agreement.

In the case of airport groups, while the technologies were developed by us, these parties provided general guidance and user feedback based on operational experience. This input was intended to support the adaptation of our technologies for practical use in airport settings. The co-ownership of patents also acknowledges their involvement in the product implementation process. As for hardware supplier, there was only a single instance of cooperation with supplier F, involving a non-core design developed during the proof of concept stage to protect flooring during testing of the smart access gates prior to formal installation. No revenue has been generated from such patent. Under the terms of the relevant cooperation agreement, the intellectual property rights arising from the project, including but not limited to patent application rights and ownership, are jointly held by both parties. Each party is entitled to independently use the jointly owned technologies. However, neither party may authorise a third party to use the jointly developed technology or manufacture related products at its own facilities without the prior written consent of the other party. The agreement further provides that unauthorised use resulting in harm to the other party may give rise to claims for compensation.

None of the co-developed or co-owned patents relate to our core technologies. In particular, certain patents involving civil aviation products that were co-developed with airport groups or suppliers relate to customised hardware appearance designs or functionalities tailored to the specific requirements of individual airports. These patents are not applicable to other similar airport projects and are therefore considered non-material to our overall business and operations due to their limited scope and single project application. Given this context, co-developed patents are not expected to be commercialised on a broader scale.

Only one co-developed patent, which was developed in partnership with a customer and relates to appearance design of the hardware, generated revenue of RMB0.9 million for 2023. No other revenue was generated from co-developed patents during the Track Record Period. In each case, we and the relevant third party hold full title to the co-owned patents. There are no contractual tenure requirements or material payment obligations associated with the co-development or co-ownership of these patents. The intellectual property rights are jointly held, and there are no restrictions on our ability to use or commercialise the technologies covered by such patents. We are not required to share any revenue or profit derived from the use of such patents.

SALES AND MARKETING

Our sales team is responsible for delivering service and support to customers across all business segments, while the marketing team focuses on raising brand image, promoting our products, and driving customer engagement. As at 31 December 2025, our sales and marketing team included 58 employees with extensive industry experience and in-depth knowledge in our products and solutions.

Sales channel

The table below sets out a breakdown of our revenue for intelligent civil aviation, intelligent commerce, and intelligent driving safety by sales channel during the Track Record Period:

	2023		Years ended 31 December 2024		2025	
	Revenue	%	Revenue	%	Revenue	%
Intelligent civil aviation						
— System Integrators	128.8	53.1	228.8	57.9	172.4	38.9
Total	128.8	53.1	228.8	57.9	172.4	38.9

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	Years ended 31 December					
	2023		2024		2025	
	Revenue	%	Revenue	%	Revenue	%
	<i>(RMB in million, except for percentages)</i>					
Intelligent commerce						
— Commercial real estate developers	21.4	8.8	53.4	13.5	52.9	12.0
— Industrial complex developers/operators	15.3	6.3	24.1	6.1	90.9	20.5
— Door lock manufacturers and integrators	19.6	8.1	16.4	4.1	9.4	2.1
— Others ⁽¹⁾	24.9	10.3	3.1	0.8	1.3	0.3
Total	81.2	33.5	97.0	24.5	154.5	34.9
Intelligent driving safety						
— In-vehicle equipment manufacturers	30.4	12.5	23.0	5.8	101.2	22.9
— Telecommunications operator	0.0	0.0	46.0	11.7	14.7	3.3
Total	30.4	12.5	69.0	17.5	115.9	26.2

Note:

- (1) Other mainly include retail stores and developers or operators of other public spaces such as schools and transport stations.

All of our sales during the Track Record Period and up to the Latest Practicable Date were made to customers located in the PRC.

Customer types

The table below sets out a breakdown of our revenue for intelligent civil aviation, intelligent commerce, and intelligent driving safety by customer types during the Track Record Period:

	Year ended 31 December					
	2023		2024		2025	
	Revenue	%	Revenue	%	Revenue	%
	<i>(RMB in million, except for percentages)</i>					
Intelligent Civil Aviation						
Public sector ⁽¹⁾	114.7	47.3	227.1	57.5	124.5	28.1
Private sector ⁽²⁾	14.1	5.8	1.8	0.4	47.9	10.8
	128.8	53.1	228.8	57.9	172.4	38.9
Intelligent Commerce						
Public sector ⁽¹⁾	28.4	11.7	28.0	7.1	117.5	26.5
Private sector ⁽²⁾	52.8	21.8	68.9	17.4	37.0	8.4
	81.2	33.5	97.0	24.5	154.5	34.9
Intelligent Driving Safety						
Public sector ⁽¹⁾	0.4	0.2	46.0	11.6	15.4	3.5
Private sector ⁽²⁾	30.0	12.3	23.0	5.8	100.5	22.7
	30.4	12.5	69.0	17.4	115.9	26.2

Notes:

- (1) Public sectors refer to customers classified as state-owned enterprises.
(2) Private sectors refer to customers classified as privately owned enterprises.

Pricing

We adopt a flexible and market-responsive pricing approach to balance competitiveness and long-term profitability. Our sales and marketing department assess pricing based on market positioning, unique value propositions, and customers' price sensitivity. Following this, our sales director and management review pricing rationale by incorporating key operational factors such as cost structures and target profit margins. Pricing is aligned with market conditions and business strategy, conveying premium nature of our products while fostering sustainable customer relationships. See “— Our Business and Revenue Model”.

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Marketing

We use multiple channels to engage potential customers, including industry exhibitions, in-person and online events, customer outreach, and social media. We have established showrooms in our offices in Shenzhen and Xiamen for product demos. We regularly participate in domestic and overseas industry exhibitions, for example, China Shopping Centre Industry Annual Conference (中國購物中心行業年會), the Shenzhen Safety and Emergency Technology Exhibition (深圳安全應急科技展覽會), China Airport Development Conference and Innovation Achievement Exhibition (中國機場發展大會暨創新成果展), the Future Travel Experience Global, APEX FTE Asia Expo. We promote our products through regular updates on our website, WeChat, Weibo and Baidu Baike.

To solicit new customers and obtain new business and project opportunities, we adopt a tailored approach across our business lines:

- **Intelligent Civil Aviation:** We primarily identify project opportunities through industry exhibitions, official airport websites, system integrators, design institutes, and client referrals. These opportunities typically provide information on project names, scope, and scale. We collaborate with system integrators that specialise in providing integrated solutions for airport infrastructure projects. These partners are typically responsible for overall project coordination and implementation, and they engage us based on our technical capabilities, solution quality, and experience in delivering similar projects.
- **Intelligent Commerce (Intelligent Business Solution):** We generate new business opportunities through active participation in industry exhibitions and direct outreach to potential customers. In parallel, we maintain and strengthen relationships with existing clients to secure follow-on projects and benefit from peer-to-peer referrals. Our focus is on delivering customised solutions that align with client needs and foster long-term partnerships.
- **Intelligent Commerce (Intelligent Park Management Solution):** We identify prospective opportunities by engaging with potential clients at industry exhibitions and maintaining ongoing follow-up communications. We also obtain new projects through referrals from existing clients, their affiliated entities, and upstream and downstream partners.
- **Intelligent Driving Safety:** We explore new business opportunities by participating in relevant industry exhibitions and leveraging referrals from partners and existing clients. We engage directly with prospective customers, offering tailored solutions and supporting them during the early stages of project planning and development. For key accounts, we draw on our established industry network to identify and cultivate new opportunities.

SEASONALITY

Our business demonstrates seasonal patterns, with revenue generation typically concentrated in the second half of the year, particularly in the fourth quarter. This is primarily due to the procurement and project implementation practices of our customers, many of whom schedule the completion of internal projects, budget execution, and acceptance procedures toward the end of their financial year. To the best knowledge of the Directors, during the Track Record Period, our civil aviation customers were domestic PRC entities, all of which adopt a financial year ending on 31 December in accordance with PRC statutory requirements. Consequently, acceptance of our products and solutions, particularly in our intelligent civil aviation and intelligent commerce business lines, often occurs in the later part of the year, which results in revenue being recognised during that period. In 2023, 2024 and 2025, revenue generated from our intelligent civil aviation and intelligent commerce business lines in aggregate accounted for 86.6%, 82.4%, and 73.8%, respectively, of our total revenue in the corresponding year. During 2023, 2024 and 2025, our fourth-quarter revenue represented 80.6%, 56.0% and 77.9%, of our revenue in 2023, 2024 and 2025, respectively. The level of seasonal fluctuation may vary year to year depending on factors such as changes in customer procurement cycles, industry conditions, and external events, which may lead to variability in our revenue and operations across financial years. We anticipate that similar seasonal revenue trends may continue in the future, particularly given the ongoing significance of our intelligent civil aviation and intelligent commerce offerings. See “Risk Factors — Risks Relating

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to Our Financial Condition and Need for Additional Capital — Our business is subject to seasonality, as acceptance of our products or solutions under intelligent civil aviation and intelligent commerce are mainly concentrated in the second half of the year, especially in the fourth quarter.”

CUSTOMERS

We enter into purchase agreements with our customers on a transactional basis without establishing long-term contractual obligations. The following table sets forth a summary of the key terms of a typical agreement with our customer:

Products/Solutions	Product specifications are mutually agreed upon with the customer.
Pricing	The pricing for each product is determined through consultation with customers, based on a comprehensive assessment of costs and target profit margins, and stipulated in each sales contract. The prices are typically at fixed unit prices.
Pricing and payment	<p>Our pricing is determined based on prevailing market conditions.</p> <p>For intelligent civil aviation products, system integrators typically make payments in instalments, with approximately 50% of the total amount paid upon product delivery, around 45% upon product acceptance, and the remaining 5% retained as a warranty deposit, which is settled after a warranty period of two to three years.</p> <p>For intelligent commerce and intelligent driving safety products, we generally adopt a instalment-based payment schedule, with a 30% advance payment due upon contract signing, followed by approximately 70% payable within three months after delivery and installation. A final retention payment of 5% to 10% may be withheld, to be settled upon final acceptance or at the end of the warranty period.</p>
Transportation and delivery	<p>We shall be responsible for delivering the products to the customer’s designated location within agreed period of contract signing.</p> <p>Physical delivery is not applicable for SINHON Business System.</p>
Product Warranty and maintenance	<p>For hardware products, we generally offer a product warranty period of two to three years, during which we are responsible for providing maintenance services free of charge.</p> <p>For the SINHON Business System, we generally offer one-year free maintenance.</p>

Our Major Customers

Revenue generated from our five largest customers in each year during the Track Record Period accounted for 59.1%, 73.5%, and 60.3% of our revenue for 2023, 2024 and 2025, respectively. Revenue generated from our largest customer in each year during the Track Record Period accounted for 24.0%, 31.7%, and 14.4% of our revenue for 2023, 2024 and 2025, respectively. As at the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

The following table sets forth details of our five largest customers in each year during the Track Record Period:
Year ended 31 December 2023

Rank	Customer	Major Products and Solutions Sold	Customer Background and Principal Business	Commencement of Business Relationship	Sales Amount (RMB/000)	% of Total Revenue	Credit Term	Payment Term	Payment Method
1	Customer A	Intelligent civil aviation — smart access/boarding gates, identity verification devices	An information technology company established in 2013, primarily engaged in the development and sale of robotics and intelligent automation equipment, and is wholly owned by a property management service provider in China listed on the Stock Exchange	2020	58,138.1	24.0	N/A	50% within 10 working days of contract signing; 42% within 10 working days of delivery and acceptance; 6% within 10 working days after one year of product acceptance; final 2% after two-year warranty period	Letter of credit or bank transfer
2	Customer B	Intelligent civil aviation — smart access/boarding gates, identity verification devices, flight information terminals, passenger service robots	A company established in 1997 and listed on the Shenzhen Stock Exchange, which primarily engages in computer software and hardware development, as well as supply chain services. It conducted business with our Group through two non-wholly owned subsidiaries, each being an information technology company, established in 1999 and 2004, respectively	2020	39,986.7	16.5	N/A	95% payable within 10 working days after delivery and acceptance; remaining 5% within 10 working days after the three-year warranty period	Bank transfer

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Rank	Customer	Major Products and Solutions Sold	Customer Background and Principal Business	Commencement of Business Relationship	Sales Amount (RMB'000)	% of Total Revenue	Credit Term	Payment Term	Payment Method
3	Customer C	Intelligent civil aviation — smart access/boarding gates, identity verification devices	An information technology company controlled by an enterprise specialising in marine and aviation industries in China, which is, in turn, a subsidiary of a central state-owned enterprise	2023	21,271.6	8.8	N/A	20% in pre-payment; 77% within 10 working days after delivery; 3% within 10 working days after warranty expiry	Bank transfer
4	Customer D	Intelligent driving safety — in-vehicle monitoring equipment	A supplier and manufacturer of in-vehicle intelligent mobile video surveillance solutions established in 2012 and based in Shenzhen	2023	17,744.7	7.3	N/A	30% within five working days of contract signing; 70% within five working days after delivery and acceptance	Bank transfer
5	Customer E	Intelligent civil aviation — millimetre wave body scanners	A high-tech enterprise established in 2022, mainly engaged in software and information technology services, AI hardware sales, and the R&D and sales of intelligent robots	2023	6,076.1	2.5	N/A	20% within 10 working days after delivery; 50% upon acceptance; 30% upon one year after acceptance	Bank transfer
Total					143,217.2	59.1			

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Year ended 31 December 2024

Rank	Customer	Major Products and Solutions Sold	Customer Background and Principal Business	Commencement of Business Relationship	Sales Amount (RMB'000)	% of Total Revenue	Credit Term	Payment Term	Payment Method
1	Customer B	See Customer B above	See Customer B above	See Customer B above	125,411.1	31.7	N/A	97% within 10 working days after delivery; 3% within 10 working days after two-year warranty expiry	Bank transfer
2	Customer A	See Customer A above	See Customer A above	See Customer A above	96,708.6	24.5	N/A	87% within three working days after delivery; 10% within three working days after acceptance; 3% within three working days after three-year warranty period	Letter of credit or bank transfer
3	Customer F	Intelligent driving safety — in-vehicle monitoring equipment	An information technology company indirectly controlled by Department of Finance of Henan Province, and primarily engages in information system integration services and technology development	2024	45,471.7	11.5	N/A	18% within three working days of contract signing with remaining paid by instalments	Bank transfer
4	Customer G	Intelligent commerce — smart access gates, multimodal identity verification devices	An information technology company established in 2021, which is a wholly-owned subsidiary of a smart retail and intelligent manufacturing enterprise in China, which is, in turn, a joint venture of a Chinese multinational technology company listed on the Stock Exchange	2023	15,244.5	3.9	N/A	30% pre-payment; 70% after acceptance	Bank transfer
5	Customer D	See Customer D above	See Customer D above	See Customer D above	7,775.6	2.0	N/A	30% within five working days of contract signing; 70% within five working days after delivery and acceptance	Bank transfer
Total					290,611.5	73.6			

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Year ended 31 December 2025

Rank	Customer	Products and Services Purchased	Customer Background and Principal Business	Commencement of Business Relationship	Sales Amount (RMB'000)	% of Total Revenue	Credit Period	Payment Term	Payment Method
1	Customer C	See Customer C above	See Customer C above	See Customer C above	63,955.3	14.4	N/A	20% prepayment; 77% within 10 working days after delivery; 3% within 10 working days after expiry of warranty period	Bank transfer
2	Customer H	Intelligent commerce — intelligent park management solution	An information technology company established in 2017 and based in Qingdao, which is a wholly-owned subsidiary of a state-owned enterprise	2025	56,361.1	12.7	N/A	100% upon acceptance	Bank transfer
3	Customer D	See Customer D above	See Customer D above	See Customer D above	54,459.8	12.3	N/A	30% within 5 working days after contract signing; 70% within 5 working days after delivery and acceptance	Bank transfer
4	Customer I	Intelligent civil aviation — smart access/boarding gates, identity verification devices	A company established in 2014 based in Chongqing, and primarily provides procurement services for office supplies to government and enterprise customers	2025	47,310.5	10.7	N/A	50% upon delivery; 47% upon acceptance; 3% upon expiry of warranty period	Bank transfer
5	Customer J	Intelligent civil aviation — smart access/boarding gates, identity verification devices	A large state-owned enterprise established in 1994 and based in Xiamen, principally engaged in air passenger transportation and general aviation activities	2025	45,043.6	10.2	N/A	85% upon delivery; 5% upon acceptance; 5% after customer puts the products into use; 5% upon expiry of warranty period	Bank transfer
Total					267,130.3	60.3			

Customer Concentration

Due to the nature of our industry verticals and business models, which are not consumer-facing and involve a relatively limited pool of customers, our business has experienced a high degree of customer concentration, which is common across these sectors. In the civil aviation segment, the purchase of our products is typically driven by the construction of new airport terminals or the upgrade of existing ones. These projects are capital-intensive and often involve large contract values. In the driving safety segment, government-led road safety initiatives have resulted in concentrated procurement of our safety driving assistance products by a limited number of designated telecommunication companies that are qualified to implement such initiatives. These characteristics contribute to the concentration of both customers and procurement activity in our key business segments.

As our product capabilities have improved and our brand reputation has been established, we have increasingly secured larger contracts from individual customers. In 2023, our top three civil aviation projects each generated over RMB10 million in revenue, totalling RMB119.4 million or 49.3% of our revenue for the year. In 2024, this trend continued, with our top two civil aviation projects (i.e. Customers B and A) contributing RMB222.1 million or 56.2% of our revenue for the year, while a government-led safety driving assistance product project in Henan Province, served through Customer F, contributed RMB45.5 million or 11.5% of our revenue for the year. In 2025, safety driving assistance product projects in Henan Province and Hebei Province generated RMB57.3 million and RMB54.5 million respectively, together accounting for 25.2% of revenue for the year, with each market currently served by a single customer under government initiatives.

This concentration of revenue could potentially create certain risks, including reduced bargaining power, reliance on a small number of customers, revenue volatility due to project timing, and potential cash flow disruptions if key projects are delayed or cancelled. We continue to monitor and mitigate these risks through proactive customer relationship management, market and client diversification, and robust internal planning and forecasting processes to manage revenue fluctuations and ensure long-term operational stability. We have actively expanded our customer base across multiple business lines. In 2024 and 2025, we secured 17 and 14 new customers in the civil aviation segment, and 25 and 21 in the driving safety segment, respectively, demonstrating our continued efforts to diversify our client base.

OVERLAPPING CUSTOMER AND SUPPLIER

Customer D, a supplier and manufacturer of in-vehicle intelligent mobile video surveillance solutions, was one of our five largest customers in 2023 and 2024 and 2025. We sold in-vehicle secure storage devices, which store driving data and video footage to support accident analysis and safety monitoring, to Customer D, and also procured hardware components for vehicle digital video recorders from Customer D. In 2023, 2024 and 2025, we generated revenue of approximately RMB17.7 million, RMB7.8 million and RMB54.5 million, respectively, from Customer D, accounting for 7.3%, 2.0% and 12.3% of our total revenue, respectively, at gross profit margins of 40.9%, 18.9% and 15.1%, respectively. The increase in sales to Customer D during 2025 was primarily attributable to a government-led road safety management initiative in Hebei Province. In 2023, and 2024, our purchases from Customer D amounted to approximately RMB1.0 million and RMB2.0 million, accounting for 1.1% and 0.9% of our total purchases for the year, respectively. No purchases were made from Customer D in 2025.

Our Directors confirm that the terms of sales to and purchases from the above overlapping customer-supplier were negotiated independently and on normal commercial terms, and that the transactions were conducted separately and were consistent with those entered into with other independent third parties. We purchased products from Customer D primarily due to its technical capabilities and product compatibility, and Frost & Sullivan advised that such practices are not uncommon in the industry as they allow companies to streamline supply chains, foster stronger business relationships, and promote mutual long-term cooperation.

SUPPLIERS

Our suppliers primarily consist of (i) suppliers of hardware or components; (ii) suppliers of casing materials; (iii) contract manufacturers; and (iv) suppliers of basic software systems and modules or data services. We select our suppliers based on reputation, credentials, experience, production capacity, pricing, delivery times, and level of service support to ensure the availability and quality of our products. Our procurement process undergoes regular reviews to enhance efficiency and control costs while maintaining the quality of our products.

We generally enter into framework agreements with our suppliers as well as contract manufacturers, which set out the general terms and conditions of our cooperation. Specific purchase orders are made under these agreements, allowing us to negotiate prices and volumes before each order. Payment is made as specified in the purchase order, with the supplier usually responsible for product delivery. In certain cases, we may enter directly into sales agreements without a separate framework agreement, with all key commercial terms set out within the sales agreement itself.

Suppliers of hardware, components or casing materials

The major hardware and components we procure include display screens, industrial computers, main control chips, modules, screens, and casing materials. We conduct thorough due diligence on our suppliers, request product samples prior to placing orders, and regularly monitor and assess their performance. We require suppliers to provide hardware or components according to our specifications and to meet our quality standards. Upon receiving the hardware or components, we reserve the right to inspect, reject or return them based on our inspection results. To ensure stable supply and optimise cost control, we typically obtain quotes from at least two suppliers for hardware and electronic components.

Contract Manufacturers

During the Track Record Period and up to the Latest Practicable Date, we collaborated with contract manufacturers for the production of our hardware products. We typically choose contract manufacturers based on factors such as reputation, credentials, experience, production capacity, delivery times, and level of service support. We typically solicit quotations from no fewer than three contract manufacturers to ensure supply stability and achieve optimal cost control. We maintain close relationships with our contract manufacturers through frequent and open communication regarding production matters, particularly concerning production progress and product requirements. There were no significant delays in delivery by our contract manufacturers during the Track Record Period.

Contract manufacturers are required to manufacture our products strictly in accordance with our proprietary hardware design and product specifications. We are responsible for overall product design, including industrial and structural design, system integration, key module selection, embedded software development (where applicable), and the formulation of production and quality standards. We provide our contract manufacturers with detailed design documentation and technical materials, including design drawings, product specifications, schematics, assembly drawings, bills of materials and other production instructions. Our contract manufacturers are engaged solely to manufacture products in accordance with our drawings and specifications. Their responsibilities include procuring materials based on our approved bill of materials, mounting components onto printed circuit boards, assembling finished products in line with our technical requirements, conducting authorised software flashing where required, and providing testing data for our acceptance. They do not participate in product conceptualisation, system architecture, algorithm design or proprietary technology development, nor are they permitted to modify our designs or standards.

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We typically enter into procurement agreements and other ancillary agreements specifying detailed product requirements and confidentiality obligations with these manufacturers to govern the terms of our collaboration. The salient terms of these agreements generally include:

Product specifications	Detailed technical parameters, structural requirements, performance standards, software integration requirements, if applicable, and compliance with our design drawings and approved bill of materials.
Order quantities	Orders placed on a per-project or batch basis, specifying unit quantities and delivery schedules.
Pricing	Unit pricing agreed in advance or determined based on approved bill of materials and processing costs.
Payment schedules	Payments generally structured in stages, such as prepayments upon order confirmation and balance payments following delivery and acceptance.
Delivery schedules	Agreed production timelines and delivery deadlines, often linked to project implementation schedules.
Quality control obligations	Contract manufacturers are required to implement production processes strictly in accordance with our technical standards; provide inspection reports, testing data and batch records; and cooperate with our sample verification, testing and final acceptance procedures.
Liability for defective goods	Contract manufacturers are responsible for repair, replacement or compensation for products that fail to meet agreed specifications or quality standards, and may be required to indemnify us for losses arising from defects attributable to their manufacturing processes.

In addition, all such agreements contain confidentiality clauses and intellectual property protection provisions. These provisions are designed to prevent the unauthorised use, reproduction or disclosure of our proprietary information and intellectual property, and typically include restrictions on reverse engineering, obligations to return or destroy confidential materials upon termination, and indemnification clauses for any breach that may result in infringement of our intellectual property rights.

During the Track Record Period, the number of contract manufacturers we engaged were 27, 33 and 31 for 2023, 2024 and 2025, respectively. The number engaged in each year primarily depends on our project pipeline and order volume. Fluctuations were mainly due to the engagement of new manufacturers to support new product solutions and achieve cost efficiencies, and our efforts to diversify our supplier base to reduce reliance on any single manufacturer. Decreases were generally attributable to project completion. Our cost of sales attributable to outsourced production amounted to RMB63.5 million, RMB137.7 million and RMB195.8 million, representing approximately 44.3%, 57.9% and 71.7% of our cost of sales, for the same years, respectively. The fluctuation was mainly attributable to the procurement arrangement for three civil aviation projects with tight delivery timelines, which manufacturers undertook broader hardware development and production in accordance with our requirements, while we retained responsibility for product conceptualisation and core software and technology design. As a result, a larger portion of costs was recorded as procurement rather than outsourced production costs. In 2025, following adjustments in production planning, the expansion of project scale, and enhanced design and engineering capacity, manufacturers primarily undertook manufacturing and assembly functions, resulting in a higher proportion of outsourced production costs.

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The following tables sets forth details of our five largest contract manufacturers during the Track Record Period:

Rank	Supplier	Supplier Background and Principal Business	Purchase Amount (RMB'000)	% of Cost of Sales
Year ended 31 December 2023				
1	Supplier A	See “— Suppliers — Our Major Suppliers”	13,931.2	9.7
2	Supplier B		10,582.4	7.4
3	Supplier D	See “— Customers — Our Major Customers” and “Overlapping Customers and Suppliers”	4,283.5	3.0
4	Customer D		1,024.7	0.7
5	Supplier M	A Shenzhen-based technology company established in 2015, principally engaged in the R&D, production and sale of imaging and smart home products, offering integrated solutions	719.4	0.5
			<u>30,541.2</u>	<u>21.3</u>
Year ended 31 December 2024				
1	Supplier A	See “— Suppliers — Our Major Suppliers”	49,385.6	20.8
2	Supplier G		32,445.8	13.6
3	Supplier H	A Jiangsu-based high-tech company established in 2010, engaged in intelligent terminal equipment for rail transit and security applications, including automatic fare collection systems	13,972.0	5.9
4	Supplier N		5,336.3	2.2
5	Supplier O	A Shenzhen-based IT company established in 2016, engaged in R&D and sale of communication products, system integration solutions, electronic products and e-commerce services	2,236.3	0.9
			<u>103,376.0</u>	<u>43.4</u>
Year ended 31 December 2025				
1	Supplier A	See “— Suppliers — Our Major Suppliers”	45,171.70	16.4
2	Supplier J		44,247.80	16.0
3	Supplier K	Supplier G	42,159.30	15.3
4	Supplier G		39,124.00	14.2
5	Supplier L		14,247.80	5.2
			<u>184,950.6</u>	<u>67.0</u>

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To protect our intellectual property rights, we do not openly share any of our self-developed AI algorithms and software with our contract manufacturers. Installation is typically performed by our in-house team. However, in certain cases, we may authorise manufacturers to install the software under a controlled license agreement. See “ — Intellectual Property Rights — Protection of Our Intellectual Property Rights.” While our contract manufacturers are responsible for delivering hardware products to our customers, we conduct product testing on hardware functions and stability prior to delivery. See “— Quality Control.”

Suppliers of basic software systems and modules or data services

We engage suppliers for basic software systems and modules, as well as non-core data services including cleansing, rendering, and annotation. These suppliers are required to deliver solutions tailored to our technical specifications and in alignment with our quality and data integrity standards. We conduct thorough due diligence prior to onboarding, which may include reviewing technical capabilities, past performance, and industry standards. Where applicable, we request trial access to software systems or sample datasets before entering into formal agreements. We regularly monitor and assess supplier performance to ensure consistent delivery, data accuracy, and compliance with service-level expectations.

Our Major Suppliers

The purchases from our five largest suppliers in each year during the Track Record Period accounted for 43.3%, 68.7% and 73.7% of our total purchase amount for 2023, 2024 and 2025, respectively. The purchases from our largest supplier in each year during the Track Record Period accounted for 15.0%, 23.0% and 18.0% of our total purchase amount for 2023, 2024 and 2025, respectively. As at the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who owned or to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

The following table sets forth a summary of the key terms of a typical agreement with our suppliers:

Products	Product specifications are mutually agreed upon with the supplier.
Pricing	The pricing for each product is subject to negotiation and stipulated in each sales contract. The prices are typically at fixed unit prices.
Pricing and payment	The pricing, typically at fixed unit prices, for each type of product is subject to negotiation and stipulated in each agreement.
Transportation and delivery	For hardware related components and equipment, our suppliers are typically responsible for arranging delivery to us or our designated customer locations at the suppliers’ own costs. A small portion is delivered to the customer by us, with external logistics service providers arranged to collect from the contract manufacturers.
Product Warranty and maintenance	Suppliers are subject to standard quality control terms as specified in each agreement. We are typically granted a warranty period of two to three years by our suppliers, during which we are entitled to free maintenance services. In addition, we are generally entitled to return or exchange any defective products supplied during the warranty period.

The following table sets forth details of our five largest suppliers in each year during the Track Record Period:

Year ended 31 December 2023

Rank	Supplier	Products and Services Purchased	Supplier Background and Principal Business	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount	Credit Period	Payment Term	Payment Method
1	Supplier A	Identity verification devices, access gates	A Shenzhen-based technology company established in 2011, specialising in intelligent access control systems, and listed on the National Equities Exchange and Quotations	2023	13,931.2	15.0	N/A	30% advance payment, 40% before dispatch, and the remaining 30% within 60 days after delivery and acceptance	Bank transfer
2	Supplier B	Swing barrier gates	A Shenzhen-based technology company established in 2020, specialising in intelligent pedestrian access gates, which, according to its website, are used in public and commercial facilities in China and worldwide	2020	10,582.4	11.4	N/A	5% advance payment, 65% within 60 days after delivery and acceptance, and the remaining 30% within 120 days after delivery and acceptance	Bank transfer
3	Supplier C	Secure storage devices	A Shenzhen-based IT company established in 2020, which, according to its website, specialises in safety and risk control technology with a focus on road transportation applications	2023	7,681.4	8.3	N/A	30% advance payment; 70% within 5 days after acceptance	Bank transfer

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Rank	Supplier	Products and Services Purchased	Supplier Background and Principal Business	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount	Credit Period	Payment Term	Payment Method
4	Supplier D	Door lock bodies	A Sichuan-based information technology company established in 2017, which, according to information available on the internet, specialises in camera products and modules, serving both domestic and international clients	2022	4,283.5	4.6	30 days	Monthly settlement within 30 days	Bank transfer
5	Supplier E	Edge gateway Wi-Fi devices	A Shenzhen-based information technology company established in 2021, which, according to its website, specialises in Wi-Fi-related business and partners with leading telecom and information technology companies in China	2023	3,690.2	4.0	N/A	Full payment within 7 working days after acceptance and receipt of invoice	Bank transfer
Total					40,168.7	43.3			

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Year ended 31 December 2024

Rank	Supplier	Products and Services Purchased	Supplier Background and Principal Business	Commencement of Business Relationship	Purchase Amount (<i>RMB'000</i>)	% of Total Purchase Amount	Credit Period	Payment Term	Payment Method
1	Supplier A	See Supplier A above	See Supplier A above	See Supplier A above	49,385.6	23.0	N/A	30% advance payment, 40% before dispatch, and 30% within 60 days after delivery and acceptance	See Supplier F above
2	Supplier F	Access gates	An information technology company based in Hangzhou, established in 2016 and primarily engages in information technology solutions for rail transit and airports	2021	38,548.2	17.9	N/A	20% advance payment, 77% before dispatch, and 3% retained as a warranty deposit	Bank transfer
3	Supplier G	Driving recorders	A chip design company based in Jiangsu Province, established in 2019, which, according to its website, offers industrial-grade, automotive-grade, and consumer-grade chips	2024	32,445.8	15.1	N/A	70% within 90 days of order confirmation; remaining 30% within 150 days of order confirmation	Bank transfer
4	Supplier H	Point-of-sale devices	An information technology company based in Shenzhen, established in 2014, which, according to information available on the internet, offers point-of-sale terminal systems and related products	2024	13,972.0	6.5	N/A	Full payment upon signing of contract	Bank transfer
5	Supplier I	Access gates	An information technology company based in Beijing, established in 2023, which, according to its website, specialises in R&D of digital worker	2023	13,256.5	6.2	N/A	30% advance payment; 70% payable after contract acceptance	Bank transfer
Total					147,608.1	68.7			

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Year ended 31 December 2025

Rank	Supplier	Products and Services Purchased	Supplier Background and Principal Business	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount	Credit Period	Payment Term	Payment Method
1	Supplier A	See Supplier A above	See Supplier A above	See Supplier A above	45,171.7	18.0	N/A	30% advance payment; 40% before delivery; 30% within 60 days after delivery and acceptance	Bank transfer
2	Supplier J	Control boards for in-vehicle device	a Shenzhen-based company established in 2024 engaged in cybersecurity and AI software development and the sale of smart in-vehicle devices (including recorders, navigation terminals and smart in-vehicle electronic devices) and testing and measurement equipment	2025	44,247.8	17.6	N/A	30% in three days after contract signing; balance payable within 5 working days after delivery	Bank transfer
3	Supplier K	Robots	A robotic company established in 2010 and based in Chongqing	2025	42,159.3	16.8	N/A	45% upon preliminary acceptance; 45% upon final acceptance; 10% as warranty retention	Bank transfer
4	Supplier G	See Supplier G above	See Supplier G above	See Supplier G above	39,124.0	15.6	N/A	70% within 90 days after order confirmation; 30% within 150 days after order confirmation	Bank transfer
5	Supplier L	Video front-end camera points and ancillary works	A Shenzhen-based company established in 2023 engaged in sale of electromechanical, parking and access control equipment and is a distributor of certain domestic camera and security equipment brands	2025	14,247.8	5.7	N/A	Four instalments within 18 months: 30% for first instalment, 30% for second instalment, 25% for third instalment and 15% for fourth instalment	Bank transfer
Total					184,950.6	73.7			

Supplier Concentration

Due to the technical requirements of our products and the operational advantages gained through scale, our procurement strategy has historically favoured a limited number of key suppliers. Nevertheless, we design the hardware and software of our smart access control and safety driving assistance products, while our suppliers are mainly responsible for manufacturing. Alternative hardware manufacturers, including for the smart access control products and safety driving assistance products, which meet our technical requirements and offer comparable prices and quality are readily available in the market. According to Frost & Sullivan, alternative hardware manufacturers capable of producing smart access control and safety driving assistance products based on customer designs are readily available in the market, with a wide range of options supported by the broader adoption of relevant technologies and the continued development of the domestic supply chain.

From a commercial standpoint, suppliers must not only meet stringent process and quality requirements, which often require time and scale to achieve consistency, but also support stable delivery efficiency and offer favourable commercial terms such as volume-based pricing and extended payment conditions. Accordingly, we have strategically maintained relationships with a small number of critical suppliers to ensure product quality, operational efficiency, and commercial advantage. Our ongoing engagement with these suppliers is primarily driven by commercial and operational considerations, rather than a lack of alternative supply sources.

In 2024, supplier concentration was primarily driven by the procurement needs in relation to our smart access control products, being a key product for the civil aviation segment. Due to the complexity of the product's technical specifications and the need to realise cost and settlement advantages from centralised procurement, we sourced from only two suppliers (i.e. Suppliers A and F), who together accounted for 40.9% of total purchase amount for the year. Procurement for safety driving assistance device was similarly concentrated with a single supplier (i.e. Supplier G) to leverage volume pricing and favourable payment terms.

In 2025, supplier concentration continued due to the large scale deployment of our safety driving assistance products through Customer D, which contributed 12.4% of revenue for the year. To achieve cost efficiency, procurement was concentrated with a single supplier (i.e. Supplier J), who accounted for 17.6% of total purchase for 2025. Supplier J does not supply any components other than the control boards to us. These control boards are one of the key hardware components of our safety driving assistance products, for which we independently design the hardware architecture, software, and developed the algorithms. Supplier J is only responsible for the manufacturing of the control boards and is not involved in any design of the complete device or providing any intelligent analytical functionality. The overall product functionality, including AI-driven analysis, relies on additional hardware and our proprietary algorithms, which are designed or developed by us. Moreover, we also continued procurement from Supplier A, accounting for 18.0% of our total purchase amount for 2025, which was our largest supplier in 2025 and had been our key supplier of access gates since 2023.

Our Directors consider it commercially and operationally advantageous to engage a single supplier for each major project, especially where product complexity and quality consistency are critical. This allows us to enhance quality control, stabilise supply, and improve project efficiency through streamlined communication and strategic, scale-based procurement.

To mitigate supplier concentration risk, we continue to maintain stable and long-term relationships with high-performing key suppliers, while also actively identifying and developing additional suppliers that meet our technical, quality, and commercial requirements. This dual-track strategy is designed to retain the advantages of scale while strengthening long-term supply chain resilience and flexibility.

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Overseas Components

All core software and algorithms are developed in-house by our R&D team. With regard to hardware, we procure all components from suppliers or engage contract manufacturers within the PRC, who produce hardware according to our design and technical specifications. A small portion of our hardware contains components that originate from the United States, mainly comprising processing chips and graphic cards manufactured by US-based multinational high-tech hardware companies (collectively, the “**US-origin Components**”). According to Frost & Sullivan, this procurement practice is common across the industry given the dominant global market share of these US suppliers in computer hardware.

During the Track Record Period, the cost of US-origin Components accounted for only approximately 0.7%, 0.4% and 0.3% of our total cost of sales for 2023, 2024 and 2025, respectively. In the unlikely event that we are unable to procure these components in the future, we have identified alternative domestic suppliers, including leading high-tech hardware companies based in China, who are capable of providing comparable components that meet our technical requirements. These alternatives are available at commercially comparable terms, providing us with contingency options to mitigate potential supply disruptions, including those related to the procurement of US-origin components. Our Directors therefore believe that any potential disruption to the supply of US-origin Components would not result in a material impact on our operational or financial performance.

As advised by our U.S. legal counsel as to export control and tariff regulations, the US-origin Components used by our Group, based on their product specifications and/or official Export Control Classification Numbers, do not fall into categories that are subject to the strict export controls imposed by the U.S. Department of Commerce, Bureau of Industry and Security (BIS). These components are not prohibited from being exported to China, nor do they require a specific licence for exportation to the PRC. Our U.S. legal counsel is of the view that the impact of such regulations on our Group is remote and limited, primarily because (i) the US-origin Components are mature, widely commercialised products with performance characteristics that make the likelihood of future export control restrictions extremely low; and (ii) even if, for any reason, these components procured by the Company become subject to export control restrictions, as stated above, the cost of such US-origin Components represents an extremely low proportion of total costs, and we have identified appropriate alternative solutions. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any restrictions or delays in procuring US-origin Components through our existing supply chain.

Furthermore, as we do not export and have no plans to export any goods from China to the United States, our U.S. legal counsel has advised that the tariffs imposed by the U.S. government on goods imported from China have minimal to no practical impact on our business operations. Therefore, our exposure to risks arising from U.S. tariffs or trade restrictions is considered negligible.

Given that (i) the procurement of US-origin Components only accounted for an insignificant portion of our total cost of sales during the Track Record Period, (ii) we have identified alternative domestic suppliers at commercially comparable terms, and (iii) we do not export and have no plans to export any goods to the United States, our Directors, our U.S. legal counsel, and the Joint Sponsors are of the view that the current U.S. export controls and restrictions will not have any material adverse effect on our Group’s business operations and financial condition.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

Our hardware products are typically delivered directly by our contract manufacturers to our customers at locations designated by us. Our contract manufacturers may handle the delivery themselves or engage third-party logistics providers. A small portion is delivered by us using external logistics providers that collect directly from the contract manufacturers.

Inventory Management

Our inventories primarily consist of raw materials, work-in-progress, and finished goods. We closely monitor our inventory levels to ensure they are sufficient to meet customer orders. We regularly review inventory ageing reports and take necessary measures to minimise obsolescence. Our supply chain team regularly collaborates with business units to assess unused or slow-moving inventory, classify idle materials, and take appropriate resale or disposal actions.

QUALITY CONTROL

We uphold the highest standards of quality in our products and solutions. Leveraging the IPD management methodology, we have established a systematic quality management system that supports continuous optimisation of both products and processes. This system design monitoring, documentation control, technical specifications, and defect management. Each stage is subject to strict control to ensure consistent product output. We have obtained ISO9001 quality management system certification and our internet service products have passed the Class III network security graded protection certification.

R&D Activities

Throughout our R&D activities, we conduct a series of rigorous evaluation and validation processes to ensure the quality of our products and solutions. See “Research and Development — R&D Process.”

Supply Chain Management

We have established a strict supplier selection mechanism and incoming material testing standards. We only collaborate with qualified suppliers of hardware, software, data services and other resources required for product development and operations. During supplier selection, we conduct due diligence and consider factors including reputation, credentials, experience, production capacity, pricing, delivery times, and service support. For hardware component suppliers, we also carry out onsite inspections to verify whether product samples meet technical specifications and manufacturing standards. We inspect product samples to ensure full compliance with technical indicators. For outsourced product testing, we have established a robust quality control system and work with independent testing and certification organisations to ensure compliance with relevant standards for each target market.

To protect our intellectual properties, we do not share any self-developed AI algorithms and software with contract manufacturers; instead, our in-house handles all installation of algorithms and software into hardware.

Product Returns and Recalls

We have established comprehensive procedures to identify and handle non-conforming products. While contract manufacturers deliver hardware products to our customers, we conduct product testing and acceptance check prior to delivery. If we receive complaints about non-conforming products, our sales team is responsible for direct communication with customers, and our product quality team will assist with issue analysis. We will form a dedicated task force comprising staff members responsible for R&D, technical support and quality control to investigate the quality issues. If necessary, we will follow up with our suppliers and contract manufacturers to identify the root causes of these quality issues. Upon completion of the investigation, the task force will issue reports detailing rectification measures and plans for further improvement. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any significant product returns or recalls.

EMPLOYEES

As at 31 December 2025, we had 212 full-time employees. All of our full-time employees are based in China, including Shenzhen, Beijing, Xiamen and Shanghai, and other cities.

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The following table sets forth a breakdown of our full-time employees by function as at 31 December 2025:

Employee Function	<i>Number</i>	<i>% of Total</i>
R&D	105	49.5
Sales and marketing	58	27.4
Supply chain and procurement	9	4.2
Management and administration	<u>40</u>	<u>18.9</u>
Total	<u>212</u>	<u>100.0</u>

We implement rigorous standards and procedures in our recruitment process to ensure the excellence of new hires. To meet our diverse talent needs, we utilise various recruitment methods, including campus recruitment, online platforms, internal referrals, and partnerships with recruitment agencies.

In accordance with PRC regulations, we participate in various social security schemes organised by local municipal and provincial governments. These include housing, pension, medical, work-related injury, maternity, and unemployment benefit plans. We establish employment contracts and agreements concerning confidentiality, intellectual property, and non-competition with our executive officers, managers, and employees. Moreover, we typically have confidentiality agreements with our core employees, granting us all rights, title, and interest in any inventions created by them during their employment with the Company. Furthermore, upon hiring, we provide employees with an employee handbook that outlines our policies and their rights in key areas, including recruitment, compliance, salary, benefits, performance assessment, and training and development.

We invest in ongoing training programmes, including both regular and customised internal and external training, to enhance our employees' professional knowledge and management skills, upgrade their skill sets, and ensure they remain aligned with industry standards in their respective roles. All new hires receive pre-employment induction training and orientation. Moreover, we organise activities to help our employees gain a deeper understanding of our company culture. We offer a competitive remuneration package, which is generally determined by qualifications, industry experience, position, and performance. We regularly assess employee performance and reward high achievers with bonuses and promotions.

We have not encountered any significant labour disputes or challenges in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which is not mandatory under PRC laws. We purchase group personal insurance for our employees, but do not maintain any keyman insurance. During the Track Record Period, we did not make any material insurance claim in relation to our business. See "Risk Factors — Risk Relating to Our General Operations and Industry — Our insurance coverage may not be adequate to cover all losses or customer claims, which may affect our business, results of operations and financial condition."

PROPERTIES

Owned Properties

As at the Latest Practicable Date, we did not own any real property.

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Leased Properties

As at the Latest Practicable Date, we leased seven properties in Shenzhen, Beijing and Xiamen with a total gross floor area of approximately 7,200 sq.m. under lease terms generally ranging from one to three years. In particular, one leased premise located in Bao'an District, Shenzhen, which has been leased since 2021 and has a total site area of approximately 752 sq.m., is used for inventory storage, R&D and pilot production of multimodal authentication panel devices, as well as occasional small-batch assembly production. Since January 2026, we have established a small-batch assembly capability for smart gate products at this premise, with a production line occupying approximately 60 sq.m., primarily to support proof-of-concept projects and small-scale orders. Our leased properties are used for R&D and business operations, which are classified as non-property activities according to Rule 5.01(2) of the Listing Rules. As at 31 December 2025, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report.

LICENCES, APPROVALS AND PERMITS

As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, other than our business licence, we were not required to obtain any material licences, approvals or permits from relevant authorities in China for the operation of our existing business, as the products we sell and the business we operate do not fall within categories that are subject to such regulatory requirements under applicable PRC laws and regulations. We will continue to monitor our compliance with applicable laws and regulations relating to licences, permits and approvals, and will obtain any such licences, permits or approvals as and when required for the operation of our business. We and our subsidiary, Shenzhen Reconova Intelligent Technologies Co., Ltd. (深圳瑞為智能科技有限公司), have been awarded high-tech enterprise certificates, which will expire in December 2026 and November 2026, respectively.

AWARDS AND ACKNOWLEDGEMENT

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and acknowledgements in connection with our business, the significant ones of which are set forth below:

Awards and Acknowledgement	Awarding Institution/Authority	Year of Award
China (International) Sensor Innovation and Entrepreneurship Competition — Force and Tactile Technology and Application Competition Final — Third Prize (中國(國際)傳感器創新創業大賽 — 力觸覺技術及應用大賽決賽三等獎)	China Instrument and Control Society	2026
LeadeRobot2026 Benchmark Award for Embodied Intelligence Industry Applications (LeadeRobot2026具身智能行業應用標桿獎)	Organising Committee of the 3rd China Embodied Intelligence and Humanoid Robotics Industry Conference	2026
French Design Awards 2025 — Gold Award (2025法國設計大獎金獎)	International Awards Associate	2025
iF Design Award 2025, Germany (2025德國iF設計獎)	iF International Forum Design GmbH (漢諾威工業設計論壇)	2025

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Awards and Acknowledgement	Awarding Institution/Authority	Year of Award
Xiamen Science and Technology Progress Award — Second Prize (廈門市科學技術進步獎二等獎)	Xiamen Municipal People's Government	2025
Lightweight multi-modal large model (< 4B) — Ranked 4th globally	OpenCompass	2025
National Key “Little Giant” Enterprise (國家專精特新重點「小巨人」企業)	Ministry of Industry and Information Technology of China (國家工業和信息化部)	2024
Fujian Leading Industry Talent Team (福建省產業領軍團隊)	Fujian Provincial Department of Industry and Information Technology (福建省工信廳)	2024
National Intellectual Property Exemplary Enterprise (國家知識產權優勢企業)	China National Intellectual Property Administration (國家知識產權局)	2023
National AI Integration Development Case — “Empowering Industries with Intelligence” (國家級「智賦百業」人工智能融合發展典型案例)	China Industrial Control Systems Cyber Emergency Response Team (國家工業信息安全發展研究中心)	2023
Fujian Postdoctoral Innovation Practice Base (福建省博士後創新實踐基地)	Fujian Provincial Department of Human Resources and Social Security (福建省人社廳)	2023

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business. As at the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against our Company or any of the Directors which could have a material and adverse effect on our financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against our Company or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. See “Regulatory Overview.” During the Track Record Period and as at the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain of our employees as required by relevant PRC laws and regulations, resulting in a shortfall of approximately RMB7.9 million, RMB8.1 million and RMB7.4

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million for 2023, 2024 and 2025, respectively. We were unable to make full social insurance and housing provident fund contributions for such employees primarily because (i) some employees were new hires and could not complete the social insurance and housing provident fund payment procedures in time during the month; and (ii) certain of our employees were not willing to bear the costs associated with social insurance and housing provident funds.

As advised by our PRC Legal Adviser, according to the Social Insurance Law of the PRC, we may be ordered to pay for the shortfalls within a prescribed time period along with the late payment fees of up to 0.05% per day and be imposed of a fine ranging from one to three times the amount overdue, and a late payment fee of up to 0.02% per day if such payment is not made within the required time period, the maximum penalty amount being three times of the cumulative shortfall in our social insurance contribution. In addition, according to the Regulations on the Administration of Housing Provident Fund, we may be ordered to pay for the shortfalls within a prescribed time period, if the payment is not made within such time period, an application may be made to the courts in the Chinese mainland for compulsory enforcement. Given that we have undertaken to make timely and full contributions, the maximum potential penalty would be limited to the shortfall in our social insurance and housing provident fund contributions as above.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on 1 September 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law. Based on (i) we have not signed any agreement with our employee or our employee have not committed to give up paying their social insurance, and (ii) our employees have the legal right to terminate the labor contract and claim economic compensation in accordance with the Labor Contract Law being effective since 2012, instead of the aforementioned regulation, which will not result in the Group assuming any additional liability for compensation, as advised by our PRC Legal Adviser, and accordingly our Directors concur that, the aforementioned regulation will not have material adverse impact on our business operations and financial position.

We had not made provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period. We believe that the incidents above and the implementation of the aforementioned judicial interpretation would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we and the relevant employees have not entered into any agreement under which we would be exempted from making social insurance contributions; (ii) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any employee complaint concerning their payment of social insurance and housing provident funds; (iii) we will make timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities; and (iv) (a) based on confirmations from relevant authorities, during the Track Record Period, we were not subject to any administrative penalties imposed by the social insurance authorities or the housing provident fund authorities due to insufficient payment of social insurance or housing provident funds, and (b) we learned from the interviews with relevant authorities that, in practice, these authorities typically do not proactively require enterprises within their responsible districts to make supplementary payments for shortfalls of social insurance (which, according to applicable rules, also include late fees) or housing provident funds, and they generally do not proactively impose administrative penalties on enterprises for such insufficient payments, unless complaints have been filed. In addition, pursuant to the

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Notice of the General Office of the State Taxation Administration on Properly and Orderly Implementing the Collection and Management of Social Insurance Contributions (國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知) and the Notice of the General Office of the State Council on Issuing the Comprehensive Plan for Reducing Social Insurance Contribution Rates (國務院辦公廳關於印發〈降低社會保險費率綜合方案〉的通知), tax enforcement inspections shall be conducted in a standardized manner, no voluntary organization of inspections on overdue contributions from prior years shall be carried out and during the reform of the collection system, no centralized collection of enterprises' historical overdue contributions shall be conducted on a voluntary basis. Based on the foregoing, as advised by our PRC Legal Adviser, and the Joint Sponsors concur that, the risk we would be required to pay all the historical shortfalls, or be subject to material administrative penalties by the competent authorities regarding our contribution to the social insurance and housing provident funds during the Track Record Period is remote, provided that there are no material adverse changes in the current regulatory policies and environment and no complaints occur.

We have taken a number of internal control measures to ensure compliance with the social insurance and housing provident fund contribution requirements under applicable laws and regulations to the extent practicable. These measures include (i) strengthening training for our personnel, including regular sessions on compliance-related topics for employees; (ii) enhancing internal control procedures to monitor our ongoing compliance with relevant regulations and to oversee the implementation of corrective actions where necessary; (iii) maintaining close attention to legal and regulatory developments in the PRC relating to social insurance and housing provident funds to ensure we remain up to date; and (iv) seeking guidance from external legal counsel when necessary to support our compliance efforts.

To monitor ongoing compliance and oversee the implementation of corrective actions, we have adopted the following specific internal control measures: (i) we have designated dedicated personnel responsible for monitoring and collecting regulatory information, including establishing information channels to regularly gather updates from official government websites, WeChat subscription accounts, and system notifications related to social insurance and housing provident funds; (ii) we maintain detailed ledgers for social insurance and housing provident fund contributions, and perform annual reviews of employee contribution bases in line with local policy updates during adjustment windows across different cities, ensuring timely recalculation and adjustment where necessary; (iii) our internal audit function includes compliance with social insurance and housing fund requirements in its annual audit plan, conducting sample checks across headquarters and regional offices, reporting findings to management, and following up with responsible departments to implement remediation measures; and (iv) we provide employees with multiple feedback channels, including email, OA system, and DingTalk, for reporting contribution-related issues, and our internal audit and management teams respond to such feedback by taking appropriate corrective actions to ensure continued compliance.

We intend to progressively make social insurance and housing provident fund contributions in accordance with applicable laws and regulations. In July 2025, we adjusted the contribution base for social insurance and housing provident fund contributions for certain employees. We were still in the process of communicating with the remaining employees and seeking their cooperation to adjust their respective contribution bases, as such adjustments would also require them to contribute their respective portions in full at the same time.

See “Risk Factors — Risks Relating to Our General Operations and Industry — We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.”

Properties We Leased

As at the Latest Practicable Date, we had not completed the registration or filing of lease agreements for seven leased properties with the relevant competent authorities in accordance with applicable laws and regulations in the PRC. As advised by our PRC Legal Adviser, and accordingly our Directors consider that, the absence of such registration or filing does not affect the validity of

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the lease agreements, nor does it result in any legal requirement for us to vacate the leased properties. However, we may be required by the relevant competent authorities to complete the registration or filing within a prescribed time limit and may be subject to fines ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement if we fail to comply within the stipulated period. In the event that such fines are imposed, the Directors consider that the financial impact would not be material to our business or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notice from landlords or relevant authorities requiring us to vacate or cease occupation of the aforesaid properties. Accordingly, our Directors consider the likelihood of our Group being evicted from or ordered to cease occupation or use of these properties to be remote. Given that the leased properties are primarily used as office premises for research and development and general business operations, and that there are ample alternative premises available in the market, and taking into account the advice of our PRC Legal Adviser, our Directors are of the view that, in the unlikely event that our lease agreements are deemed invalid or we are required to vacate the properties, we would be able to relocate to alternative premises in a timely manner at relatively low relocation costs, and enter into new lease agreements on comparable commercial terms. As such, our Directors consider that any such event would not have a material adverse impact on our business operations.

Based on the due diligence work performed by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors that contradicts the views of the PRC Legal Adviser and the Directors disclosed above regarding the registration or filing of lease agreements.

See “Risk Factors — Risks Relating to Our General Operations and Industry — We lease office premises in various locations in China. Any non-renewal of leases, significant rent increases, or any disputes or challenges to our leasehold interest may adversely affect our business and financial performance.”

RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a comprehensive set of risk management measures and internal control policies tailored to our business operations, and we are committed to ongoing enhancements of these policies. Moreover, we regularly assess the execution of our risk management strategies to ensure their effectiveness and adequacy. Our internal control management covers different areas of our operations, including financial management, compliance, intellectual property, and human resources.

Financial Management

We have implemented various financial policies related to our financial management, including budget management, expense management, accounting management, and capital management. We have also established procedures to implement these policies, and our financial department regularly reviews our management accounts and internal control procedures. Furthermore, we provide training to our financial staff to ensure they are fully informed of and familiar with our accounting policies and procedures.

Compliance Management

To effectively manage our regulatory compliance and legal risk exposures, we have established stringent internal procedures to ensure that our business operations comply with applicable rules and regulations. Before finalising any contracts or business arrangements, our sales manager carefully examines the contract terms and reviews relevant documents, including licences and permits obtained by counterparties to fulfil their obligations, as well as necessary due diligence materials.

We have also implemented internal contract management policies that govern the signing, review, and execution of business contracts. Moreover, we continuously refine our internal policies in response to changes in laws, regulations, and industry standards. Our employee code of conduct

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clearly defines internal rules and guidelines on essential working principles, work ethics, confidentiality, negligence, and anti-bribery and anti-corruption measures. We offer our employees regular training and resources to ensure they fully understand the guidelines outlined in the code.

DATA SECURITY AND PRIVACY

We are committed to complying with all applicable laws and regulations on data security and privacy. We collect, process and store data in connection with our business operations in the PRC as follows:

R&D

For purposes of R&D, we use data, such as internally simulated on-site videos and AI-generated data, for algorithm model training and other related technical R&D based on internal R&D needs, including the use of data for development across all of our business lines. Such data is collected by us through legally permitted means. See “— Data Used for Algorithm Training and AI Product Development”. Data processing activities for R&D purposes are conducted solely in compliance with the relevant laws and regulations.

Product testing and operation

For purposes of product testing, we may collect data on our own by legally permissible means. In general, we do not store or have access to the data during their operation or use of our products. Customers or users collect and process all the data on their own from their use of the products, and such data is also managed by customers or users on their own. We are not involved in any data processing activities conducted by our customers or users with respect to their use of the products sold. Being a mere information technology service provider, we do not, and are not able to proactively collect or process such data from our customers’ or users’ end, and they will not, and have no need to, provide such collected data to us either. Therefore, the customers or users as the data processors are responsible for complying with their own data privacy protection obligations in this regard.

Product delivery

During the Track Record Period and up to the Latest Practicable Date, certain products supplied by us may involve the collection and/or processing of personal information when operated by our customers. In general, we do not independently determine the purposes or means of such data processing. The following table summarizes, by business segment, whether personal information was involved, the type of personal information involved, the party collecting and/or processing such information, and our role in the data handling process during the Track Record Period and up to the Latest Practicable Date:

Segment	Whether personal information was collected and/or processed	Type of personal information involved	Party collecting the personal information	Our Role
Intelligent Commerce	Yes, where products such as the SINHON Business System and the FacePass Park Management Platform were used by enterprise customers.	Product-generated information, including, for the FacePass Park Management Platform, facial recognition information and access-control related information.	For on-premises deployment, the relevant enterprise customers collected, processed and stored such data on their own systems. For SaaS deployment, the relevant enterprise customer collected data, and such data generated through the use of the products will be stored on external cloud servers leased by us for the purpose of providing the SaaS services.	For on-premises deployment, we did not have data interaction with customers and did not act as an entrusted personal information processor. For SaaS deployment, we may be entrusted to provide storage and technical support in accordance with customers’ instructions. However, up to the Latest Practicable Date, we had not actually been entrusted to access or further analyze such data.

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Segment	Whether personal information was collected and/or processed	Type of personal information involved	Party collecting the personal information	Our Role
Intelligent Civil Aviation	Yes, when certain products, such as smart boarding gates and the MrRay Passenger Service Robot, were operated by customers.	Passenger-related information, such as name, and flight number.	Such information was collected and processed within the relevant airport or customer-side operational environment by the relevant airport, system operator or other party responsible for operating the products.	We acted as a product and technology supplier. We did not independently collect, process, retain or store such information. In limited troubleshooting or maintenance scenarios during the Track Record Period, we were requested by customers to provide technical assistance, which only involved limited, temporary and incidental access to the minimum passenger-related information necessary for resolving system malfunctions, such as flight numbers and travel dates, without systematic export, bulk download, backup, retention or further analysis. Such limited access was conducted in connection with the relevant supply agreements with the system integrators, including the confidentiality provisions and applicable after-sales service provisions thereunder, as the relevant products were supplied by us through system integrators and ultimately used by airports. The relevant airport or other party responsible for operating the products, as the personal information handler, is responsible for obtaining any required traveller consent or otherwise ensuring a lawful basis for processing such information. We do not retain any relevant personal information and will promptly delete such information upon completion of the relevant troubleshooting or support work. Based on our estimation, such scenario involved fewer than 20 travellers in aggregate during the Track Record Period.
Intelligent Driving Safety	Yes, when the Recadas Safety Risk Management Platform was operated by third-party risk control operators.	Driver-related information, such as driver identity and licence-related information, and data generated in connection with terminal operation or risk control management.	The relevant third-party risk control operators collected and processed such information within their own operational environments.	We acted as a terminal and platform technology supplier. The terminal devices adopted local storage and the platform was deployed within the operators' environments. We did not possess, retain or independently access driver data generated through operation of the terminals or the platform.

As advised by our PRC Legal Adviser, under the Personal Information Protection Law, where we merely supply products or technology solutions and do not independently determine the purposes or means of personal information processing, the relevant customers or operators, as the personal

information handlers, are responsible for complying with the applicable personal information protection obligations. Where we act as an entrusted processor in limited service scenarios, we are required to process personal information only within the scope of the relevant customers' instructions and the agreed service purposes. If we process personal information in violation of such instructions, we may bear contractual liability to the relevant customers and, where such processing causes damage to the legitimate rights and interests of individuals, corresponding legal liability under applicable laws. If the data processing activities carried out pursuant to the enterprise customers' instructions infringe upon the legitimate rights and interests of individuals, the enterprise customers, as personal information handlers, shall be held legally liable under the Personal Information Protection Law. Conversely, if we conduct data processing beyond the scope of the enterprise customers' instructions and such activities cause harm to the legitimate rights and interests of others, we shall be independently liable for any resulting tort liability.

To ensure data security, we adopt security measures including data desensitisation, network firewall, vulnerability scanning, and isolated storage areas. We also maintain backup to ensure data recovery capability and traceability. However, regarding the legitimacy of clients' processing of personal information, as stated in Article 59 of the Personal Information Protection Law, the obligations of an entrusted personal information processor include, in addition to taking necessary measures to ensure the security of the personal information being processed, assisting the personal information processor in performing the obligations specified in the Personal Information Protection Law. However, in the course of carrying out our business during the Track Record Period and up to the Latest Practicable Date, we have not received any instructions or requirements from enterprise customers asking us to assist in obtaining consent for the collection and processing of personal information, nor is such assistance included within the scope of our services. Pursuant to the arrangements between us and the enterprise customers as stipulated under the relevant agreements, we have not been, and do not expect to be, involved in conducting verification measures to confirm that all personal information collected by the enterprise customers has been obtained with the consent of the relevant individuals.

Nevertheless, in accordance with our internal policy on data security management, if the products and services provided by us involve functions of collecting and processing personal information, we will, despite not collecting or processing personal information ourselves as a personal information handler, clearly inform enterprise customers, end users and other stakeholders, to the extent practicable, through cooperation agreements, service agreements and other means, and remind enterprise customers to fulfill their own compliance obligations in relation to personal information processing. We also require enterprise customers to commit to the compliance requirements of personal information processing in the service agreements signed with them. Based on the foregoing, our PRC Legal Adviser is of the view that we have taken reasonable measures, in all material respects, to comply with the requirements of the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, and other applicable PRC laws and regulations.

Data Used for Algorithm Training and AI Product Development

The data we use for training and testing our algorithm models and for developing our AI products comprises four main types, namely, self-collected data, public dataset, simulated data and AI generated data. Simulated data refers to data generated in a virtual environment created by simulation software based on physical rules. It does not necessarily seek to be visually identical to real-world objects, but focuses on the authenticity of physical behaviours and logical relationships. AI generated data refers to synthetic data generated by generative AI models. It focuses more on visual realism, aiming to make the generated images as close as possible to real photographs in terms of appearance, lighting, texture and background. For example, AI generated data may include realistic synthetic images of the same object or operating scenario, such as a robotic arm grasping blocks, generated under different backgrounds, lighting conditions, colours or material textures, which are used to enrich training samples and improve the visual recognition capability of our models. During the Track Record Period and up to the Latest Practicable Date, we did not procure

data from any external third parties and did not have any major data providers. Self-collected data represents our primary source of data. We have established a dedicated in-house team responsible for data collection and labelling. Data is collected only from our internal employees in simulated scenarios and only after obtaining their fully informed written consent. The types of data collected include human body and trajectory data for smart gate access control, appearance data of special needs passengers such as wheelchair users and baby strollers, human trajectory data for anti-missed detection equipment, data of individuals carrying contraband for millimetre wave security screening, facial and liveness data for identity authentication, human body and trajectory data for shopping mall customer traffic analytics, dangerous driving behaviour data such as fatigue, phone use and smoking, as well as blind spot monitoring data for use in freight and logistics vehicles, and luggage appearance and tray data for use in baggage handling robots. All such data is collected in the form of images or videos.

We also use public datasets that are released by the global academic and industrial communities and is either explicitly authorised for commercial use or falls within the permitted scope of its respective open source licensing terms. The public datasets we used comprise: (i) a lane detection dataset, which is subject to the MIT license, which is a permissive open-source license that allows reuse, modification and commercial use with minimal restrictions; and (ii) publicly available datasets used for training open-source visual foundation models, which are licensed under the MIT license and the Apache 2.0 license, which is a permissive open-source license that allows commercial use and modification, subject to the requirement to disclose modifications and include a copy of the license and relevant notices. The Apache 2.0 license requires open-sourcing of derivative works. In compliance with this requirement, we have open-sourced the relevant QTune foundation models trained using such data. Moreover, in compliance with the Basic Requirements for the Security of Generative Artificial Intelligence Services TC260-003《生成式人工智能服務安全基本要求》, issued by the National Information Security Standardisation Technical Committee (全國網絡安全標準化技術委員會), we have retained the relevant dataset licence files before using any open-source datasets to train our proprietary open-source model QTune. We did not incur any costs for the use of these public datasets, as all such datasets are publicly licensed for use and available for direct download as they are freely available under open-source or public domain licences aforementioned.

In addition, we generate simulated data in virtual environments to test and validate our algorithms, such as simulating the operation of baggage handling robots in complex scenarios. We also generate synthetic data using our proprietary algorithm models to enhance model robustness and generalisation. This includes masked face images for face mask recognition, data relating to elderly passengers and mobility equipment for special needs passenger identification, low light and noise image data for AI-ISP algorithms, synthetic luggage appearance data for baggage handling robots, and visual and behavioural data for dual arm coordination in robotic arms.

With respect to the collection of our employees' personal information, we have informed employees through an authorisation letter and obtained their consent, which provides the legal basis for using such personal information in model training. We do not procure or purchase any external training data. In the course of our principal business operations, we may, as an entrusted data processor, collect and use personal information of our customers' end users for the purpose of providing exception handling, operational maintenance and other related services, pursuant to customer instructions. In cases where SaaS deployment is involved, customer data is stored on Alibaba Cloud data centres. Where our products contain capabilities to collect or process personal information, we have implemented encryption and de-identification measures. Specifically, we own an invention patent for a method, system and dedicated player for multi-channel video stream desensitisation and reversal at the edge. This enables us to integrate and encode raw video stream data, desensitise facial regions, and store only the desensitised integrated data and encrypted facial information. For example, in commercial AI deployment scenarios, such as visitor-counting terminals installed in shopping malls or retail spaces to analyse customer traffic, facial information is not collected. Any potential facial data captured by the devices is masked and desensitised to ensure that no facial recognition data is retained. We also implement a strict access control framework for data access and operations. Access permissions are assigned according to job roles

and must be approved through our IT service ticket workflow in the OA system. Only upon successful review are assigned personnel granted access rights. In addition, we have adopted physical server room access controls, application firewalls, bastion host technology, vulnerability scanning and other measures to maintain the cybersecurity of our network.

Except for the public dataset, which incurred no costs, the costs associated with our data primarily relate to the personnel costs of our data collection and labelling team. During the Track Record Period, our data costs amounted to RMB325,000 in 2023, RMB591,000 in 2024, and RMB598,000 in 2025.

Data Compliance Policies and Measures

To safeguard our data security, we have established an access control system for our internal systems to restrict viewing and bulk export of any data without proper authorisation. We employ firewalls to protect against data loss or leakage from cyber-attacks and regularly assess the security of our data storage systems. Access to data is strictly limited based on employees' roles, and we have confidentiality agreements in place to prevent improper use or disclosure of information.

We continuously monitor legislative and regulatory developments in cybersecurity and data protection, and conduct regular compliance checks and rectifications to align with these changes. We have formulated corresponding workplace procedures based on relevant rules and regulations, all of which outline our primary management rules for cybersecurity and data protection. We have obtained the certification of information security management system (ISO/IEC 27001:2013).

Our internal control consultant has reviewed our policies and procedures on data privacy and security and has not identified any deficiencies. The internal control consultant has no further comments on the adequacy of our policies and procedures in managing data protection and cybersecurity risks.

During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material data leakage or loss, nor any unauthorised use of our customers' or suppliers' or employees' personal information.

Cross-Border Data Transfer

We have not been involved in any cross-border transmission of personal information from the PRC to any overseas jurisdictions during the Track Record Period and up to the Latest Practicable Date. All of our data collection, processing, storage and usage activities are conducted entirely within the territory of the PRC and do not involve any outbound data transfer that, as advised by our PRC Legal Adviser, would be subject to regulatory approval or filing under applicable PRC data protection and cybersecurity laws and regulations.

Data-related Legal Compliance

The PRC government has enacted a series of laws and regulations on protection of cybersecurity, data and privacy, which mainly include the Cyber Security Law (《網絡安全法》), the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》), the Measures for Cyber Security Review (《網絡安全審查辦法》) and the Regulations on Network Data Security (《網絡數據安全管理條例》) (collectively and together with any of their respective applicable rules and regulations in the PRC, the “**Data Compliance Laws**”). During the Track Record Period and up to the Latest Practicable Date, (i) we had adopted comprehensive internal policies and measures on protection of cybersecurity, data and privacy to ensure continuous regulatory compliance; (ii) we had not received any warning, penalty or sanction from competent government authorities in the PRC with regard to our business operations concerning any issues relating to protection of cybersecurity, data and privacy; (iii) we had not been involved in any legal proceedings initiated by competent government authorities or third parties in relation to protection of cybersecurity data and privacy; and (iv) there had not been any cybersecurity incident or unauthorised misappropriation, leakage or loss of data that had any material adverse impacts on our business operations or financial performance.

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Based on the aforesaid, our PRC Legal Advisers are of the view that, during the Track Record Period and up to the Latest Practicable Date, the applicable laws and regulations on data security and privacy had not had any material impact on our business operations and we had been in compliance in all material respects with all applicable Data Compliance Laws.

For risk relating to data security and privacy, see “Risk Factors — Risks Relating to Our General Operations and Industry — Evolving data privacy, cybersecurity, and emerging technology regulations, including those related to AI and facial recognition, may increase compliance costs and operational complexity.

ENVIRONMENT, SOCIAL AND GOVERNANCE

We acknowledge our duties in safeguarding the environment, fulfilling social responsibilities, and upholding strong corporate governance. We are committed to advancing environmental protection, fulfilling corporate social responsibility, and promoting sustainable development, ensuring these principles are integrated into our business operations.

Governance

The Board is our decision-making body for Environmental, Social and Governance (“ESG”) matters, coordinating and leading overall ESG work. The Board is responsible for identifying and evaluating ESG risks and opportunities that could affect our business model, value chain and financial performance over the short, medium, and long-term. The Board also oversees the ESG management committee, which is responsible for managing and monitoring the implementation of policies and practices relating to material ESG issues, ensuring compliance with applicable laws, regulations and industry standards. The Board reviews reporting from the ESG management committee on ESG matters annually, including the progress of implementing ESG measures, areas of improvement, corrective measures and major risks, aligning the ESG strategy with our overall development strategy. The ESG management committee is composed of representatives from the CEO’s Office, human resource department, finance department, supply chain centre, and the operation quality centre. To identify, evaluate and manage ESG-related risks, we consider ESG-related factors when implementing risk management measures and internal control policies.

We have established risk management policies and procedures, including our Risk Management Framework (《風險管理制度》), which encompasses the risk management governance structure, risk categorization, risk assessment approaches, and control mechanisms with ongoing review processes. This framework enables us to systematically identify, assess, prioritise and monitor risks, thereby enhancing our resilience while effectively mitigating potential impacts.

We are committed to attaining high standards for corporate governance. Our Board Diversity Policy (《董事會多元化政策》) will be effective at listing, outlining the objective and approach to attain and maintain diversity within the Board to improve its overall effectiveness. The Board Diversity Policy considers factors including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Board is currently composed of five male and two female members, including two executive Directors, two non-executive Directors, and three independent non-executive Directors, aged between 35 and 55, each bringing diverse backgrounds, skills and experience to the Board. The Nomination Committee will review and monitor the implementation of the Board Diversity Policy from time to time to ensure its effectiveness. We have also set a series of internal policies regarding the remuneration and incentive mechanism, including policies on Directors’ remuneration, other benefits and welfare. We factor ESG-related metrics or considerations into our Directors’ remuneration, including customer complaints, metrics on intellectual property, data security, energy savings, etc.

To strengthen the Board's understanding of the Company's operations and their legal and regulatory responsibilities, we conduct regular training sessions for Directors. These sessions cover core duties, compliance with Hong Kong law, corporate governance, ESG, risk management, internal controls, as well as industry and business developments. In addition, we plan to provide comprehensive training to all Directors following the listing to ensure they fully understand the Hong Kong Listing Rules.

Under the Board's guidance, we have conducted peer benchmarking and, in alignment with prevailing industry practices, identified key ESG topics that are likely to have material effect on our business model, value chain and financial performance, including Environmental Impact Management, Climate-related Risk Adaptation, Talent Management and Development, Supply Chain Management, and Business ethics.

Environment

Environmental Impact Management

We currently do not own any manufacturing facilities or develop our manufacturing capacity. As such, our operations have no significant impact on the environment and natural resources. We strictly adhere to government environmental laws and regulations to manage energy consumption, water consumption, as well as the discharge of air pollutants and waste to reduce environmental impact.

During the Track Record Period and up to the Latest Practicable Date, there were no concluded legal cases or fines related to non-compliant pollutant discharge, nor any related litigations arising from such matters.

To minimise the environmental impact of our business and value chain, we actively develop energy-efficient products and have implemented several decarbonisation measures. For example, we installed smart remote systems to monitor and regulate air-conditioning and lighting usage, automatically shutting them off when areas are unoccupied or after operating hours. Air-conditioning is set to a minimum of 26°C, and lighting is zoned with independent switches to enhance efficiency. We also monitor energy-intensive areas and address inefficiencies at their source. In line with our Office 5S Management Requirements (《辦公室5s管理要求》), employees are encouraged to switch off unnecessary electronic devices after working hours, with periodic inspections to ensure energy savings and safety. To reduce our carbon footprint along the value chain, we promote sustainable transportation among employees, replace unnecessary business travel with video conferencing, and strictly control deliveries by dispatching only essential items.

Furthermore, we support China's targets to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. We set a target to reduce Scope 1 and Scope 2 emissions intensity by 10% by 2030, using 2024 as the baseline year. This goal reflects our continued commitment to climate action and sustainable growth. In reviewing and establishing climate-related targets, we conducted a comprehensive assessment of our current emission levels, peer practices, projected business growth and feasible mitigation measures. While we recognise the potential of unavoidable carbon emission growth as a result of business expansion, we remain committed to achieving our enhanced emissions-reduction objective by continuously improving energy efficiency, including through the adoption of clean energy.

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The table below sets forth our greenhouse gas emissions and energy consumption in 2023 to 2025 for our offices at the end of each relevant year. We disclose our ESG performance metrics in alignment with industry peers. Our Scope 1 and Scope 2 greenhouse gas emissions are mainly attributed to the use of air-conditioning refrigerants, fire extinguishing agents, and electricity at our offices. As there was no consumption or replenishment of refrigerants or fire extinguishing agents in 2025, Scope 1 emissions were zero for the year. During the Track Record Period, there were no significant changes in the absolute values of environmental metrics.

	Units	2023	2024	2025	2030 Reduction Target
Greenhouse Gas Emissions					
Scope 1	Tonnes of CO ₂ equivalent	23.8	19.9	0	/
Scope 2	Tonnes of CO ₂ equivalent	375.7	405.2	377.9	/
Scope 1 + 2	Tonnes of CO ₂ equivalent	399.5	425.1	377.9	/
Scope 1 + 2 intensity	Tonnes of CO ₂ equivalent/ RMB million revenue	1.65	1.08	0.85	10%
Scope 3 ¹	Tonnes of CO ₂ equivalent	76.9	83.0	50.1	/
Energy Consumption					
Electricity	MWh	700.23	755.13	712.17	/
Electricity intensity	MWh/RMB million revenue	2.89	1.91	1.61	10%

We regularly evaluate the effectiveness of our initiatives and monitor progress against our ESG targets, while consistently reviewing our implementation plans to stay on track and achieve our established targets.

Climate-related Risk Adaptation

We acknowledge the significance of climate change and are dedicated to addressing climate-related risks that could affect our business operations. We have identified typhoon and heavy rain (as defined by the China Meteorological Administration) as physical risks that could affect our business operations through supply chain disruptions, labour safety, and delays in transportation and product delivery. To monitor and manage these risks, we closely monitor extreme weather alerts, implemented an Emergency Management Manual (《應急管理手冊》) and established an emergency management team. In the event of typhoon or heavy rain, we will promptly suspend operations, issue safety alerts, and communicate necessary precautions to ensure employee safety.

As we are currently in the early stage of assessing climate-related risks and opportunities, we will consider conducting a more comprehensive assessment post-listing to identify, assess, prioritise and monitor climate-related risks and opportunities.

Social

Talent Management and Development

To ensure that the basic rights and legal interests of employees are fully protected, we strictly comply with government laws and regulations related to labour rights, occupational health and safety, women's rights, as well as prevention of forced and child labour.

To enhance talent acquisition and optimise human resource allocation, we have implemented the Recruitment Management Measures (《招聘管理辦法》), which standardise and strengthen recruitment practices in line with established principles and benchmarks. We have established internal policies and systems to prevent child labour and forced labour in our operations. We check valid identification documents to ensure candidates' age meet the legal requirements, and conduct regular internal audits on labour conditions. If cases related to child labour or forced labour were

¹ We have calculated the indirect GHG emissions (Scope 3) of the emissions generated from fuel- and energy-related activities not included in Scope 1 or Scope 2 considering materiality (electricity is our main greenhouse gas emission source) and data availability (data is limited for other scope 3 categories). We will consider expanding the coverage of GHG emissions data collection and disclose other scope 3 categories that are less material or have less data available in the future.

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discovered, we would immediately initiate an investigation, reviewing internal recruitment processes to identify and eliminate loopholes to prevent similar incidents from occurring. There were no concluded legal cases or fines related to non-compliant employment in 2025.

To attract, retain, and motivate talent, we have implemented a series of internal policies, systems and mechanisms covering compensation, dismissal and voluntary resignation, recruitment and promotion, working hours, rest periods, equal opportunity, and other benefits and welfare. Employees are provided with an employee handbook that outlines these policies and rights upon hiring.

The table below shows the breakdown of our employees as at 31 December 2023, 2024 and 2025. During the Track Record Period, the total number of employees decreased consistently from 2023 to 2025. This was primarily driven by streamlined operations for enhanced efficiency. Notably, the decrease in the overall employee turnover rate from 2024 to 2025 was mainly attributable to improved organisational stability as a result of internal rotation and broader work assignments, which created more diverse career development opportunities.

	Unit	2023	2024	2025
Total Workforce				
<i>By Employment Type</i>				
Full-time	Number	247	216	212
Part-time	Number	20	32	30
<i>By gender</i>				
Male	Number	206	196	196
Female	Number	61	52	46
<i>By Age Group</i>				
30 or below	Number	63	59	53
30–50	Number	192	178	180
50 or above	Number	12	11	9
<i>By Geographical Region</i>				
Mainland China	Number	267	248	242
Employment Turnover Rate				
	Unit	2023	2024	2025
<i>By Gender</i>				
Male	Rate	14.42%	15.31%	6.45%
Female	Rate	13.33%	11.54%	20.83%
<i>By Age Group</i>				
30 or below	Rate	18.46%	22.03%	22.50%
30–50	Rate	13.78%	12.92%	6.91%
50 or above	Rate	0.00%	0.00%	0.00%
<i>By Geographical Region</i>				
Mainland China	Rate	14.18%	14.52%	9.40%

Recognising the importance of employee growth for the long-term development of the Company, we have established a comprehensive training system. This includes structured onboarding programmes and regular training sessions on skills needed for different positions. For example, in 2025, each employee received an average of four hours of data security and privacy training, along with four hours of anti-corruption training. Additionally, we conduct regular training sessions for all employees to ensure their understanding of our operations and responsibilities under applicable law and regulatory requirements. To further support continuous learning, we provide external training where employees can choose relevant courses based on their

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needs. We also target to provide all employees with no less than six hours of annual training on intellectual property rights, data security, and privacy, utilising a combination of internal resources and external expertise.

The table below shows the percentages of our employees trained and the average training hours in 2025 for our offices as of 31 December 2025.

	Units	2025
Percentage of Employee Trained		
<i>By Gender</i>		
Male	%	82.8%
Female	%	17.2%
<i>By Employee Category</i>		
Senior management	%	8.3%
Middle management	%	16.6%
General employee	%	75.1%
Average Training Hours		
<i>By Gender</i>		
Male	Hours	50
Female	Hours	40
<i>By Employee Category</i>		
Senior management	Hours	36
Middle management	Hours	42
General employee	Hours	49

Supply Chain Management

To build a responsible and stable supply chain, we have established a comprehensive supply chain management framework. Our ESG Management Policy (《ESG管理制度》) explicitly mandates that all suppliers comply with business ethics and social responsibility standards, and further strictly prohibits the procurement of products or services from non-compliant suppliers. We currently have a total of 195 suppliers, all of which are based in Mainland China.

We have also implemented a series of policies and detailed procedures, including the Supplier Development Management Implementation Guidelines (《供應商開發管理實施細則》) and the Supplier Quarterly Assessment Management Guidelines (《供應商季度考核管理細則》), to enhance product safety and stability in our supply chain. To ensure the safety of certain products, we may require our suppliers to conduct product testing by third-party inspection agencies in accordance with relevant standards as needed. We systematically track, monitor, and evaluate our annual suppliers' incoming material yield and shipment acceptance rate. To ensure supply chain stability, we implemented the Measures for Managing Supply Chain Disruption Risks (《關於供應鏈中斷風險管理實施細則》) to identify, assess and manage supply chain disruption risk, including natural hazards, political risks, trade restrictions, labour disputes and infrastructure failures, etc. This allows us to establish risk mitigation strategies and corrective action plans in time to ensure product delivery. We conducted supplier assessments for all our suppliers to verify their adherence to our supplier policies, including compliance with fair labour standards and anti-corruption measures. No material non-compliance was identified through audits or inspections of contracted suppliers or manufacturers during the Track Record Period.

We are committed to eliminating child and forced labour in our supply chain, and have adopted the Procurement Management Implementation Guidelines (《採購管理實施細則》) to regularly inspect our suppliers on their labour practices. If instances related to child labour or forced labour were identified, we would promptly launch an investigation and take corrective actions,

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including providing training, terminating contracts with non-compliant suppliers and reviewing our supplier screening processes to identify and close loopholes to prevent recurrence. During the Track Record Period, there were no confirmed incidents concerning child labour employment.

To further promote business ethics in our supplier chain, we include clauses related to anti-corruption, anti-bribery, and the prevention of forced and child labour in the contracts with our suppliers. Additionally, we target to provide no less than 4 hours of training to our three major suppliers annually, covering topics such as product quality and safety, business ethics, etc. These areas are considered essential to our business and are consistent with industry best practices.

In the future, we will continue to enhance our requirements for suppliers regarding the use and provision of environmentally preferable products to maintain alignment with industry best practices.

Business Ethics

We are committed to building a culture of integrity, self-discipline, honesty and fairness. We have implemented internal measures and procedures to prevent fraud, conflict of interest, and other illegal activities. Furthermore, to uphold the company's positive image, standardise professional ethics, promote integrity in business practices, and prevent commercial bribery and corruption, we require all employees to sign the Integrity and Self-Discipline Commitment Letter (《廉潔自願承諾書》). In 2025, there were no concluded legal cases or fines regarding corruption, bribery, extortion, fraud or money laundering, nor did any litigation cases arise from the above matters.

To strengthen business ethics awareness across the company, we conduct regular anti-corruption training for all employees, senior management and Board members. Practical preventive measures were also implemented for high-risk positions to enhance employees' ability to identify, prevent and respond to corruption. Furthermore, our internal audit department is responsible for developing annual audit plan on business ethics and reports to our Board and senior management regularly.

We encourage our employees and external stakeholders to report any misconduct and irregularities to maintain a healthy working environment. We have established a robust whistleblowing mechanism governed by our Whistleblowing Management Policy (《舉報工作管理辦法》). This mechanism provides multiple reporting channels including email, hotline and mailbox for employees to report any misconduct. Upon verification, we would identify the root cause of the problem and implement corrective action plans. Whistleblowers' identities are kept strictly confidential, and individuals implicated in reported misconduct are excluded from the investigation process to ensure protection from retaliation.

PATH TO PROFITABILITY

We recorded a net loss of RMB32.6 million in 2023 and RMB68.1 million in 2025, and net operating cash outflows of RMB63.4 million in 2023 and RMB125.2 million in 2025. Historically, we have made significant investments in R&D and sales efforts to develop and commercialise our products and strengthen our brand presence.

Revenue Growth Strategies

1. Expanding and Diversifying Product and Service Offerings

To meet the evolving needs of enterprise customers, we are actively expanding and diversifying our product and service portfolio. Building on our core AI vision platform, we are developing intelligent robotic products and next-generation devices that can be applied across various commercial and industrial scenarios. These innovations not only enrich our product lineup but also open new revenue streams, enhance solution depth, and increase average order value per customer. For details on product iteration plans and new developments, and their expected commercialisation timetable, see “Business — Research and Development — Key Research Projects.”

For the AntOne Baggage Handling Robot, we have commenced proof-of-concept pilots with three PRC airports, each handling over 10 million passengers annually, with one robot to be deployed at each site. As at the Latest Practicable Date, the projects remain at the pilot and testing stage and are primarily for trial use. Wuxi Shuofang International Airport is one of them and has formed a dedicated working group to collaborate with us on scenario-specific implementation, R&D adaptation and optimisation. Equipment was delivered in March 2026, and the system has been integrated into actual flight operations, including cargo pallet stacking and transfer to transport vehicles under live operating conditions. A testing period of six months, expected to end in September 2026, will follow. According to Frost & Sullivan, baggage handling robots are relatively new to airport applications in the PRC market, and airports, as users, generally require a longer evaluation and validation period prior to adoption. The Directors are therefore of the view that the market adoption process takes time due to the ongoing pilot verification procedures and the standard procurement and internal approval processes of airport customers.

In November 2025, we secured a contract with a large central state-owned enterprise for our intelligent spatial analysis engine, which uses cameras with AI algorithms to detect real-time safety hazards such as fire, smoking, falls and other unusual incidents, and automatically generate work orders for property management follow-up, as part of a centralised AI security system upgrade project covering over 30 shopping centres. Deliveries commenced in December 2025, with a contract amount of approximately RMB0.6 million (tax inclusive). Further deliveries are expected to commence in July 2026, with a corresponding contract amount of approximately RMB4 million (tax inclusive), and the remaining deliveries are expected to be completed by the end of 2027, with a corresponding contract amount of approximately RMB16 million (tax inclusive), bringing the total anticipated contract value to over RMB20 million (tax inclusive).

2. Expanding into Overseas Markets

We are actively pursuing business opportunities in international markets. As at the Latest Practicable Date, a pilot project for trial use of boarding gate commenced in January 2026 at Islam Karimov Tashkent International Airport in Uzbekistan for an initial term of six months, with on-site commissioning and system integration in progress and phased testing expected to complete in September 2026.

According to Frost & Sullivan, the overseas market for visual AI products in the civil aviation sector has grown significantly, increasing from USD1.3 billion in 2021 to USD3.4 billion in 2025, representing a CAGR of 27.2%. This growth is expected to continue, with the market projected to reach USD12.0 billion by 2030, supported by a CAGR of 28.7% from 2025 to 2030. Passenger traffic is also set to rise considerably. By 2030, airports in the seven ASEAN countries, including Thailand, Vietnam, the Philippines, Malaysia, Indonesia, Singapore and Cambodia, are forecast to handle around 653 million passengers annually, nearly double the 336 million recorded in January 2023. Saudi Arabia, under its Vision 2030 initiative, is undertaking extensive airport development aimed at increasing annual passenger volumes from approximately 141 million in 2025 to 300 million by 2030. These trends point to a strong global demand outlook and early stages of AI adoption in the aviation industry in these overseas market. They provide a clear opportunity for us to expand internationally, drawing on our proven expertise in deploying visual AI technologies across some of the busiest and most complex airport environments in China.

Moreover, we also plan to explore the overseas robotics market. In Southeast Asia, the robotics market targeting shopping malls grew from USD70 million in 2021 to USD330 million in 2025 at a CAGR of 47.4%, and is expected to reach USD650 million by 2030 at a CAGR of 14.5%. The robotics market targeting logistics grew from USD30 million in 2021 to USD200 million in 2025 at a CAGR of 60.7%, and is projected to reach USD470 million by 2030 at a CAGR of 18.6%. The robotics market targeting industrial manufacturing grew from USD500 million in 2021 to USD600 million in 2025 at a CAGR of 4.1%, and is expected to reach USD1,000 million by 2030 at a CAGR of 11.0%. The intelligent civil aviation market grew from USD60 million in 2021 to USD380 million in 2025 at a CAGR of 58.6%, and is projected to reach USD1,610 million by 2030 at a CAGR of 33.5%.

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In the Middle East, the robotics market targeting shopping malls grew from USD40 million in 2021 to USD230 million in 2025 at a CAGR of 54.9%, and is expected to reach USD530 million by 2030 at a CAGR of 18.2%. The robotics market targeting logistics grew from USD10 million in 2021 to USD140 million in 2025 at a CAGR of 93.4%, and is projected to reach USD380 million by 2030 at a CAGR of 22.1%. The robotics market targeting industrial manufacturing grew from USD190 million in 2021 to USD210 million in 2025 at a CAGR of 2.5%, and is expected to reach USD340 million by 2030 at a CAGR of 10.1%. The intelligent civil aviation market grew from USD30 million in 2021 to USD260 million in 2025 at a CAGR of 71.6%, and is projected to reach USD1,300 million by 2030 at a CAGR of 38.0%.

In Central Asia, the robotics market targeting shopping malls grew from USD20 million in 2021 to USD40 million in 2025 at a CAGR of 18.9%, and is expected to reach USD70 million by 2030 at a CAGR of 11.8%. The robotics market targeting logistics grew from USD10 million in 2021 to USD30 million in 2025 at a CAGR of 31.6%, and is projected to reach USD50 million by 2030 at a CAGR of 10.8%. The robotics market targeting industrial manufacturing grew from USD140 million in 2021 to USD160 million in 2025 at a CAGR of 3.4%, and is expected to reach USD250 million by 2030 at a CAGR of 9.3%. The intelligent civil aviation market grew from USD20 million in 2021 to USD50 million in 2025 at a CAGR of 25.7%, and is projected to reach USD180 million by 2030 at a CAGR of 29.2%.

In Southeast Asia, we are exploring opportunities in Vietnam, Thailand, Singapore, Malaysia, Indonesia, and the Philippines, with potential projects in terminal upgrades, baggage handling, border control, and passenger flow management. In the Middle East, we plan to work with regional partners in Saudi Arabia, Qatar, and the United Arab Emirates on initial opportunities in intelligent border control and visual AI systems. In Central Asia, building on our pilot program in Uzbekistan, we intend to explore further pilot opportunities in other countries in the region.

Our overseas strategy focuses on localisation. We will follow a strategy of “deep regional cultivation + new market development,” focusing on Southeast Asia and the Middle East, with the addition of the Central Asia region. This strategy emphasizes “local ecosystem collaboration + export of technical standards + product localization,” through a “light-asset, deep-cooperation” model to enable scalable international expansion. We plan to establish regional sales and service networks, recruit experienced sales representatives, and collaborate with local distributors, system integrators, and strategic partners to build our international sales channels. Our target strategic partners in these regions are primarily local system integrators with proven experience in airport infrastructure projects. As the equipment and hardware provider, we will supply the core products along with detailed technical specifications. Our partners will support us in system deployment, navigating local regulatory requirements, project localization, and delivering after-sales services. Through this collaboration model, we aim to build long-term partnerships in each market that promote product localization and the development of sustainable technical service capabilities. At the same time, we will adapt our product offerings and service models to regional regulatory requirements and customer preferences, ensuring relevance and competitiveness in each target market.

Our intended strategic partners in overseas markets primarily include local system integration firms with experience in airport infrastructure. As the equipment hardware supplier, we will be responsible for providing core products and technical specifications, while our partners are expected to support us in system deployment, regulatory compliance, project localization, and after-sales service delivery. Through this cooperation model, we aim to establish long-term partnerships in each market to support product localization and the development of sustainable technical service capabilities.

To support brand awareness and customer acquisition abroad, we will expand our marketing and promotional efforts by participating in international exhibitions, industry forums, and targeted roundtable meetings, as well as launching digital media campaigns. Internally, we will strengthen our

overseas marketing, consulting, and operations teams, enhance training programmes, and improve our market research and business development capabilities to support sustainable international growth.

Cost Control Strategies

To support long-term profitability and operational efficiency, we have implemented targeted cost control strategies that focus on optimising our business model and enhancing the return on investment in R&D. These initiatives are designed to reduce our cost of sales, improve resource utilisation, and ensure that we scale in a financially sustainable manner while maintaining our innovation capabilities and product quality.

1. *Improving Cost Efficiency Through In-House Manufacturing*

We are transitioning from outsourced to in-house production by establishing our own manufacturing facilities. This strategic shift enables us to exercise greater control over production quality, optimise supply chain management, and reduce unit costs through economies of scale and process standardisation. In-house manufacturing also closer R&D-production integration, allowing faster product iteration and more agile responses to customer needs and market feedback. These advantages contribute to cost savings, enhanced product competitiveness and, higher customer satisfaction. Over time, we expect this transition to improve our gross margins. We expect in-house production to reduce costs by eliminating supplier mark-ups and improve gross profit margin by approximately 10%. See “Future Plans and Use of Proceeds — Use of Proceeds.”

The establishment of the in-house production base is based on our assessment of medium- to long-term market demand. The facility is expected to commence use in the first half of 2028, with capacity ramp-up through 2031. According to Frost & Sullivan, China’s enterprise visual AI market for civil aviation grew from RMB1.0 billion in 2021 to RMB2.0 billion in 2025, at a CAGR of 18.9% from 2021 to 2025, and is expected to reach RMB6.3 billion in 2030, with market penetration rate of China’s “intelligent civil aviation” products and solutions remained relatively low at less than 10% as of 2025, indicating significant growth potential. The overseas civil aviation visual AI market is projected to reach approximately USD12.0 billion in 2030, driven by airport capacity expansion and digital transformation initiatives in regions such as Southeast Asia and the Middle East. In light of these industry trends, we believe the planned production capacity is aligned with expected market demand over time.

2. *Enhancing R&D Efficiency*

We continue to improve R&D efficiency to ensure that our R&D delivers higher productivity and more effective resource allocation. This includes developing our products and technologies using standardised and reusable building blocks, allowing different parts of a product or technology to be used across multiple models. This approach helps shorten development time and reduce repeated work. Core technologies such as algorithms, camera systems, and software are designed to work across different products to improve efficiency and avoid starting from scratch. We are also adopting advanced AI tools to assist with coding and testing, reducing manual R&D work to help manage costs. From 2023 to 2025, the average number of test cases executed per day increased at a CAGR of approximately 34.0%, reflecting improved testing efficiency under identical test and parameters and time conditions. We regularly adjust our R&D plans based on customer feedback and commercialisation potential, and discontinue projects with limited business prospects to avoid unnecessary spending. For example, in 2025, a driver monitoring module was discontinued after the customer lost downstream clients, and a dual-camera ADAS project was terminated due to shifting requirements and our internal assessment of low potential for mass production. Over the next five years, we aim to keep the CAGR of R&D cost per employee at least five percentage points lower than the CAGR of revenue per employee through greater use of AI tools and wider reuse of modularised technologies across product development.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our group of Controlling Shareholders, being Mr. Zhan, Mr. Su Xiaosheng, Ms. Chi Chang, Mr. Han Songguang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership, collectively controlled approximately 43.61% of our total share capital. See “History and Corporate Structure — Concert Party Arrangement” in this prospectus for details of the concert party arrangement among Mr. Zhan, Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang. Immediately following the completion of the Global Offering, the above group of Controlling Shareholders will continue to hold in aggregate approximately 39.60% of our total share capital and remain as our group of Controlling Shareholders.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that as at the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management independence

Our daily operational and management decisions are made by our Board and our senior management. Our Board consists of seven Directors, namely two executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Zhan is an executive Director and the chairman of the Board. Our Directors consider that we are capable of maintaining management independence for the following reasons:

- (a) our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. See “Directors and Senior Management” in this prospectus;
- (b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested;
- (d) we have three independent non-executive Directors, who are not associated with our Controlling Shareholders or any of their associate and, individually or collectively, possess the requisite knowledge and experience as independent directors of listed companies and will be able to provide professional and experienced advice to our Company and protect the interests of our Company and our Shareholders as a whole; and
- (e) we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See “Corporate Governance Measures” in this section.

Operational independence

We do not rely on our Controlling Shareholders and their respective close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specialising in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

management for human resources. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licences, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently. Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their respective close associates.

Financial independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function.

During the Track Record Period, Mr. Zhan, being our Controlling Shareholder, had been providing guarantees (the "CS Guarantees") as security for certain of our Group's banks loans (collectively, the "Guaranteed Loans"). To the best knowledge of our Directors, it is a common market practice in the PRC for banks to require personal guarantees from the de facto controllers of private enterprises before extending loans or facilities. As confirmed by our Directors, as at 31 December 2025, we had a total outstanding Guaranteed Loans of approximately RMB76.0 million, and as of the Latest Practicable Date, all bank consents for the release of the relevant CS Guarantees have been obtained.

We have unutilised bank facilities of approximately RMB330.5 million as of the Latest Practicable Date, either not subject to any CS Guarantees or with the relevant bank consents obtained for their release upon Listing.

Taking into consideration our Group's demonstrated ability to obtain independent financing on comparable commercial terms, and such amount of independent financing was more than the unreleased portion of the CS Guarantees, our Directors are of the view that we are financially independent from our Controlling Shareholders or their close associates. We expect the CS Guarantees will be either released or replaced with corporate guarantees upon Listing or the underlying loans subject to the CS Guarantees will be repaid prior Listing. We will not rely on our Controlling Shareholders or their close associates for financing upon Listing and have sufficient access to independent financing to meet our financial needs.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognise the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- (a) where a Shareholders' meeting is held for considering proposed transactions in which our Controlling Shareholders have a material interest, our Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Controlling Shareholders, our Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;
- (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisers at our Company's cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (e) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules; and
- (f) we have appointed Maxa Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and corporate governance.

Based on the above, our Directors are satisfied that the above corporate governance measures are sufficient to manage the potential conflicts of interest between our Group and our Controlling Shareholders and/or other Directors to protect minority Shareholders' rights after Listing.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the Listing, the Board will consist of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of our Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
<i>Executive Directors</i>						
Mr. Zhan Donghui (詹東暉)	49	Chairman of our Board, chief executive officer and executive Director	March 2012	March 2012	Responsible for the overall strategic planning, business direction and management of our Group	Mr. Zhan and Mr. Han Songguang are party to a concert party agreement
Mr. Han Songguang (韓松光)	50	Executive Director and general manager of intelligent vehicle link business unit	December 2014	March 2018	Responsible for our Group's vehicle link business strategic planning, product R&D, and market management	Mr. Zhan and Mr. Han Songguang are party to a concert party agreement
<i>Non-executive Directors</i>						
Mr. Chen Gen (陳互)	42	Non-executive Director	April 2025	April 2025	Responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group	Nil
Ms. Li Jia (李佳)	51	Non-executive Director	December 2020	August 2022	Responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group	Nil
<i>Independent non-executive Directors</i>						
Mr. Sun Xiaobei (孫曉備)	55	Independent non-executive Director	June 2025	June 2025	Responsible for providing independent advice on the operations and management of our Group	Nil
Ms. Gu Wenbo (顧聞博)	41	Independent non-executive Director	The Listing Date	The Listing Date	Responsible for providing independent advice on the operations and management of our Group	Nil
Mr. Tang Ke (唐柯)	36	Independent non-executive Director	June 2025	June 2025	Responsible for providing independent advice on the operations and management of our Group	Nil

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Zhan Donghui (詹東暉), aged 49, is the executive Director, the chairman of our Board and the chief executive officer of our Company. Mr. Zhan founded our Company in March 2012, and is primarily responsible for the overall strategic planning, business direction and management of our Group. Mr. Zhan also serves as a director of certain subsidiaries of our Group.

Prior to founding our Company, from November 1998 to April 2007, Mr. Zhan worked at Huawei Technologies Co., Ltd. (華為技術有限公司) (a global leading information and communications technology solutions provider), with his last position being the head of the marketing department of optical network product line. Mr. Zhan founded Nanjing Yuanli Technology Co., Ltd. (南京遠立科技有限公司), a company engaged in design of information and technology equipment, in May 2007 and served as its legal representative until December 2012.

Mr. Zhan has been the vice chairman of the Fujian Artificial Intelligence Industry Association (福建省人工智能協會) since January 2021, a member of the 14th Executive Committee of the Xiamen Federation of Industry and Commerce (廈門市工商業聯合會第十四屆執委) since December 2021 and the chairman of the Council of the Nanjing University New Technology Alumni Association (南京大學新科技校友會) since March 2023.

Mr. Zhan was awarded the title of Top 10 Emerging Entrepreneur Heroes of Xiamen (廈門十大新銳名企創業英雄) by the Xiamen General Chamber of Commerce in October 2014; Top 30 Chinese AI Entrepreneurship Leaders (中國人工智能創業領軍30人) by iyou in April 2017; Top Ten Youth Leaders Driving High-Quality Development in Xiamen (廈門十大引領高品質發展青年領袖) by the Organisation Department of the Xiamen Municipal Committee of the Communist Party of China and the Administrative Committee of Xiamen Torch High-Tech Zone in September 2020; Top 50 AI Entrepreneurs in China of 2020 (2020年度中國人工智能50人) by Deben Consulting, eNet Research Institute, and China Internet Week in March 2021; and Fujian Province High-Level A-Class Talent (福建省高層次A類人才) by the Office of the Leading Group for Talent Work of Fujian Province of the Communist Party of China in December 2023.

Mr. Zhan obtained a bachelor's degree in electronic and information systems from Nanjing University in July 1998, a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in November 2019, and obtained the qualification of professorate senior engineer accredited by the Fujian Provincial Department of Human Resources and Social Security in November 2024.

Mr. Han Songguang (韓松光), aged 50, joined our Company as the head of the marketing department in December 2014. In March 2018, he was appointed as a director and was redesignated as an executive Director in June 2025. In May 2019, Mr. Han was redesignated as the general manager of the intelligent vehicle link business unit. Mr. Han is primarily responsible for the Group's vehicle link business strategic planning, product R&D, and market management.

Prior to joining our Group, from July 1998 to May 2001, Mr. Han worked as a project manager at China Merchants Industry Holdings Youlian Shipyard (Shekou) Co., Ltd. (招商局工業集團友聯船廠(蛇口)有限公司); from June 2001 to March 2012, he served as the technical support and sales director at Shenzhen Qingcheng Technology Co., Ltd. (深圳市慶成科技有限公司); from April 2012 to August 2014, he served at Quanke Technology (Shenzhen) Co., Ltd. (全科科技(深圳)有限公司).

Mr. Han obtained a bachelor's degree in thermal energy power machinery and equipment from Wuhan University of Communications Science and Technology (武漢交通科技大學) (now known as Wuhan University of Technology (武漢理工大學)) in June 1998.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Chen Gen (陳互), aged 42, is a non-executive Director of our Company. Mr. Chen was appointed as a Director of our Company in April 2025 and was redesignated as a non-executive Director in June 2025. Mr. Chen is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

From December 2011 to October 2013, Mr. Chen served at CITIC Securities Company Limited (中信證券股份有限公司), whose shares are listed on Shanghai Stock Exchange (Stock Code: 600030). From November 2014 to April 2017, Mr. Chen served at Greenland Financial Holdings Group Company Limited (綠地金融投資控股集團有限公司), where he was engaged in mergers and acquisitions works. From May 2017 to September 2019, Mr. Chen served at Jiangsu Yueda Investment Co., Ltd. (江蘇悅達投資股份有限公司), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600805). Since September 2020, Mr. Chen has been serving as the head of the investment department at Shanghai Airport Hongyu Investment Management Co., Ltd. (上海機場泓宇投資管理有限公司) and in charge of the investment management department.

Mr. Chen obtained a bachelor's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in June 2006, majoring in international economics and trade. Mr. Chen further obtained a master's degree in business administration from Indiana University Bloomington in the United States in May 2011.

Ms. Li Jia (李佳), aged 51, is our non-executive Director. Ms. Li joined our Company as a supervisor and was appointed as a Director of our Company in August 2022 and was redesignated as a non-executive Director in June 2025. Ms. Li is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Prior to joining our Group, from January 2005 to July 2015, Ms. Li served as an executive director at SAIF Partners (賽富投資基金). Since January 2019, Ms. Li has been serving as a partner in SAIF Partners.

Ms. Li obtained a bachelor's degree in economics from Capital University of Economics and Business (首都經濟貿易大學) in July 1997, majoring in accounting. Ms. Li further obtained her master of business administration degree from Peking University in July 2012.

Independent Non-executive Directors

Mr. Sun Xiaobei (孫曉備), aged 55, is our independent non-executive Director. Mr. Sun was appointed as an independent non-executive Director of our Company in June 2025. Mr. Sun is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Sun possessed rich corporate management experience. Prior to joining our Group, from December 2016 to July 2019, Mr. Sun had previously served as a senior vice president at Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司). From January 2020 to December 2020, Mr. Sun served as a senior vice president at Sanpower Group Ltd. (三胞集團有限公司).

Mr. Sun obtained a bachelor's degree in geography from Nanjing Normal University (南京師範大學) in June 1995 and the international master of business administration from the Sauder School of Business of The University of British Columbia in May 2004.

Ms. Gu Wenbo (顧聞博), aged 41, is our independent non-executive Director and her term of office will commence on the Listing Date. Ms. Gu is primarily responsible for providing independent advice on the operations and management of our Group.

Prior to joining our Group, Ms. Gu joined the Chinese University of Hong Kong (香港中文大學) and served as a research assistant in the department of electronic engineering in December 2009. From April 2011 to July 2016, Ms. Gu served at the Hong Kong Applied Science and Technology

DIRECTORS AND SENIOR MANAGEMENT

Research Institute (香港應用科技研究院有限公司) with her last position being the senior engineer, biomedical. Ms. Gu has joined Belun Technology Company Limited (倍靈科技有限公司) as a Member of Professional Staff in August 2016.

Ms. Gu obtained a bachelor's degree in electronics science and technology and a bachelor's degree in economics from Peking University (北京大學) in July 2007. She then obtained a master of philosophy in electronic engineering from the Chinese University of Hong Kong (香港中文大學) in December 2009.

Mr. Tang Ke (唐柯), aged 36, is our independent non-executive Director. Mr. Tang was appointed as an independent non-executive Director of our Company in June 2025. Mr. Tang is primarily responsible for providing independent advice on the operations and management of our Group.

Prior to joining our Group, from October 2011 to April 2021, Mr. Tang served at Ernst & Young Hua Ming LLP Shanghai Branch (安永華明會計師事務所(特殊普通合夥)上海分所) with his last position being the manager in the assurance department. Since May 2021, Mr. Tang has been serving as the commercial finance manager of Profex (Shanghai) Co., Ltd. (百互潤貿易(上海)有限公司).

Mr. Tang obtained a bachelor's degree in economics from Shanghai University of International Business and Economics (上海對外經貿大學) in July 2011, majoring in insurance. In addition, Mr. Tang has obtained his qualification as a certified public accountant from the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2021.

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Dr. He Yifan (何一凡), aged 44, is the chief technology officer and the president of the research institute of our Company. Dr. He joined our Company as technical director in December 2017, and was appointed as the chief technology officer and president of the research institute in December 2019. Dr. He had been a director of our Company from November 2020 to June 2025. He is primarily responsible for formulating the Group's technology strategy, leading R&D system construction, and managing core technical resources.

Prior to joining our Group, he joined Recore Systems B.V., in April 2013 with his last position being the senior consultant when he left in April 2017.

Dr. He was awarded the titles of Fujian Province Industry Leading Team Leaders (福建省產業領軍團隊領軍人才) by Fujian Provincial Department of Industry and Information Technology (福建省工業和信息化廳) in December 2024, Xiamen High-level Class A Talents (廈門市高層次A類人才) by Talent Office of the Xiamen Municipal Committee of the Communist Party of China (中共廈門市委人才辦) in 2024 and Fujian Province High-level A Talents (福建省高層次A類人才) by Office of the Talent Work Leading Group of the Fujian Provincial Committee of the Communist Party of China (中共福建省委人才工作領導小組辦公室) in December 2023. He has published over 70 international academic papers, invented more than 30 authorised invention patents, and has participated in the formulating of six national standards.

Dr. He obtained a bachelor's degree in electronic and information engineering from Zhejiang University (浙江大學) in June 2004. Dr. He further obtained a master's degree in electronic circuits and systems from Zhejiang University in June 2006. Dr. He then obtained his doctoral degree with his research in electrical engineering from Eindhoven University of Technology in the Netherlands in October 2013. In addition, Dr. He obtained the qualification of professorate senior engineer by Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in November 2024.

Dr. Su Xiaosheng (蘇曉生), aged 49, is the chief scientist of our Company. Dr. Su joined our Group in March 2018. From March 2018 to June 2025, Dr. Su had been a director of our Company. Dr. Su is also the general manager of Beijing Deep Sense Technologies Co., Ltd. (北京深感科技有限公司), a subsidiary of our Company.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Su has 20 years of experience in technical R&D management. Prior to joining our Group, from January 2008 to March 2010, Dr. Su worked at Thales Digital Technology (Shenzhen) Co., Ltd. Beijing Branch (泰雷茲數字科技(深圳)有限公司北京分公司). From July 2011 to October 2013, Dr. Su served as the director of north area R&D centre and deputy general manager at Beijing Xinluwei Technology Co., Ltd (北京信路威科技股份有限公司). In November 2013, he served at NetPosa Technologies, Ltd. (東方網力科技股份有限公司). From March 2014 to November 2015, Dr. Su served at Beijing Xingan Information Technology Co., Ltd (北京新感信息技術有限公司).

Dr. Su was awarded the Third Prize in the National Artificial Intelligence Competition for Person Re-identification (全國人工智能大賽行人重識別(ReID)三等獎) by the Organising Committee of the National Artificial Intelligence Competition (全國人工智能大賽組委會) in February 2020, the Excellence Award in National Artificial Intelligence Competition for AI + Person Re-Identification (全國人工智能大賽AI+行人重識別優勝獎) by the Organising Committee of the National Artificial Intelligence Competition in March 2021, Second Prize in Underwater Target Detection at the 2020 National Underwater Robotics Competition (Zhanjiang) (2020全國水下機器人大賽(湛江)大賽水下目標檢測二等獎) by the Department of Information Science, National Natural Science Foundation of China (國家自然科學基金委員會信息科學部) in May 2020.

Dr. Su obtained a bachelor's degree in thermal power engineering from Tsinghua University (清華大學) in July 2000. Dr. Su further obtained his master's degree and doctoral degree in instrumental science and technology from Tsinghua University in July 2005.

Mr. Guo Chenxi (郭晨曦), aged 40, is the senior vice president and the general manager of the marketing centre of the Company and has 18 years of sales management experience. He joined our Company as sales director in October 2018, and was appointed as general manager of the marketing centre in March 2024. Mr. Guo was appointed as a senior vice president of the Company in June 2025. Mr. Guo is primarily responsible for formulating the Group's marketing and sales strategies, managing business objectives, customer relationships, and delivery services.

Prior to joining our Group, from March 2008 to October 2009, Mr. Guo served at Beijing Zhongke Huilian Information Technology Co., Ltd. (北京中科匯聯信息技術有限公司). From November 2009 to March 2014, he worked at Beijing Huayi Future Technology Co., Ltd. (北京華儀未來科技有限公司). From April 2014 to December 2016, he worked at Beijing Etong Dongfang Technology Co., Ltd. (北京易通東方科技有限公司). From January 2017 to May 2018, he served as the general manager in small and medium-sized enterprises finance affairs department at Beijing Futong Oriental Technology Co., Ltd. (北京富通東方科技有限公司).

Mr. Guo obtained a bachelor's degree in computer science and technology from Xuzhou University of Technology (徐州工程學院) in the PRC in July 2007.

Mr. Li Wenda (李文達), aged 38, is our chief financial officer and chief operating officer. Mr. Li joined our Company in June 2023 as the chief financial officer, and was appointed as the chief operating officer in May 2025.

Prior to joining our Group, from July 2010 to June 2022, Mr. Li served as a senior manager for assessment at TCL Technology Group Corporation (TCL科技集團股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000100). From July 2022 to May 2023, Mr. Li served as the financial director at Guangzhou Shiyuan Incubator Co., Ltd. (廣州視源孵化器有限公司), a subsidiary of Guangzhou Shiyuan Electronic Technology Company Limited (廣州視源電子科技股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 002841).

Mr. Li obtained a bachelor's degree in management from Jinan University (暨南大學) in June 2010. In addition, Mr. Li has obtained the qualification of PRC certified public accountant from the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in November 2020.

Mr. Ma Ke (馬可), aged 51, is the vice president and the general manager of the intelligent business unit of the Company. He joined our Company in September 2018 as a sales director. Subsequently, Mr. Ma was further appointed as the general manager of smart commerce business

DIRECTORS AND SENIOR MANAGEMENT

unit of our Company in February 2020. Mr. Ma was appointed as a vice president of the Company in May 2025. Mr. Ma is responsible for strategic planning, product R&D, and market management of the commerce business.

Prior to joining our Group, from May 2000 to June 2015, Mr. Ma worked at Shanghai Nokia Bell Co., Ltd. Beijing Branch (上海諾基亞貝爾股份有限公司北京分公司), Oracle (China) Software Systems Co., Ltd. (甲骨文(中國)軟件系統有限公司) (whose shares are listed on the New York Stock Exchange (stock code: ORCL), and EMC Computer Systems (China) Co., Ltd. (易安信電腦系統(中國)有限公司). From July 2015 to July 2018, he served as sales vice president of the marketing centre at Huaqing Rongtian (Beijing) Technology Co., Ltd. (華青融天(北京)技術股份有限公司).

Mr. Ma obtained a bachelor's degree in computer and applications from Beijing University of Technology (北京工業大學) in June 1997.

Mr. Yu Jinxi (于金喜), aged 40, is a vice president and the secretary of the board of the Company. He joined our Company in October 2021 and was appointed as an assistant to the chief executive officer and the director of brand and public affairs department of our Company. Mr. Yu was further appointed as the secretary of the board in May 2025 and a vice president of the Company in June 2025.

Prior to joining our Group, from July 2010 to February 2016, Mr. Yu served at Guangzhou Yichang Technology Co., Ltd. (廣州毅昌科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange, stock code: 002420; from February 2016 to October 2021, Mr. Yu served as a member of the operation management committee, the person-in-charge of the growth centre and the director of brand and public affairs department in Youmi Technology Co., Ltd. (有米科技股份有限公司).

Mr. Yu has been a member of the 15th Guangzhou Panyu District Chinese People's Political Consultative Conference (第十五屆廣州市番禺區政協) since October 2021.

Mr. Yu obtained a bachelor's degree in e-commerce from Southwest University of Science and Technology (西南科技大學) in June 2010. He also obtained a project management professional certification from the Project Management Institute in March 2024 and a training certificate for board secretaries of listed companies from the Shenzhen Stock Exchange in November 2024.

Mr. Shi Miaohong (史淼泓), aged 39, joined our Company in November 2024 as product director of intelligent airport business unit of our Company. Mr. Shi was subsequently appointed as the general manager of the commercial robotics business unit in March 2025. Mr. Shi is responsible for the strategic planning, product research and development and team management of the commercial robotics business unit.

Prior to joining our Group, Mr. Shi worked at Huawei Technologies Co., Ltd. (華為技術有限公司) from January 2011 to April 2012. From May 2012 to July 2017, Mr. Shi worked as the product planning manager of the research centre at TCL Electronics Holdings Limited (TCL電子控股有限公司) (formerly known as "TCL Multimedia Technology Holdings Limited" (TCL多媒體科技控股有限公司)), the shares of which are listed on the Stock Exchange (stock code: 1070). From July 2017 to July 2024, Mr. Shi worked as the department person-in-charge of commercial service robotics product at UBTECH ROBOTICS CORP LTD (深圳市優必選科技股份有限公司), the shares of which are listed on the Stock Exchange (stock code: 9880).

Mr. Shi obtained a bachelor's degree in software engineering from Guangdong University of Technology (廣東工業大學) in June 2007. Mr. Shi subsequently obtained a master's degree in software engineering from Sun Yat-sen University in June 2010.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or

DIRECTORS AND SENIOR MANAGEMENT

overseas; and (3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Yu Jinxi (于金喜), is our joint company secretary. See “— Senior Management” in this section for his biographical details.

Ms. Lai Ho Yan (賴浩恩), is our joint company secretary. Ms. Lai is currently a senior manager of Company Secretarial Services of Tricor Services Limited, where she is responsible for providing corporate secretarial and compliance services to listed companies at the Stock Exchange and other multinational, private and offshore companies. Ms. Lai has more than eight years of experience in the company secretary profession. Ms. Lai is the named company secretary of several listed companies on the Stock Exchange, namely Wuhan Youji Holdings Ltd. (stock code: 2881), Beijing UBOX Online Technology Corp. (stock code: 2429), OneForce Holdings Limited (stock code: 1933) and MTT Group Holdings Limited (stock code: 2350). Ms. Lai obtained her bachelor's degree in business administration in financial services and master's degree in corporate governance from The Hong Kong Polytechnic University in September 2016 and September 2020, respectively. She also holds a Bachelor of Laws from Manchester Metropolitan University in July 2024. She has been qualified as a Chartered Secretary, a Chartered Governance Professional, an associate of The Hong Kong Chartered Governance Institute (HKCGI) and an associate of The Chartered Governance Institute (CGI) in the United Kingdom.

BOARD COMMITTEES

The Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Ms. Gu Wenbo, Mr. Tang Ke and Mr. Sun Xiaobei, with Mr. Tang Ke currently serving as the chairman. Mr. Tang Ke has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Mr. Sun Xiaobei, Mr. Zhan Donghui and Mr. Tang Ke, with Mr. Sun Xiaobei currently serving as the chairman. The Remuneration Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Zhan Donghui, Mr. Sun Xiaobei and Ms. Gu Wenbo, with Mr. Zhan Donghui currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a Board Diversity Policy to enhance governance effectiveness and maintain high standards. In selecting candidates, the Board considers factors such as gender, age, cultural and educational background, professional experience, skills, and knowledge, with final decisions based on merit and contribution. The Board includes members with diverse expertise in business management, finance, accounting, information technology, and AI, and includes two female directors. The Board aims to maintain a proper gender balance consistent with investor expectations and international best practices. The Nomination Committee oversees and reviews the implementation of this policy, monitors its effectiveness after listing, and reports annually on the policy, its objectives, and progress achieved.

CORPORATE GOVERNANCE

Our Directors recognize the importance of sound corporate governance and effective internal controls to ensure accountability. Except as noted below, our Group expects to comply with the Corporate Governance Code in Appendix C1 to the Listing Rules. Under code provision C.2.1 of Part 2 of the Code, listed companies should separate the roles of chairman and chief executive. Currently, we do not have such separation, and Mr. Zhan performs both roles. The Board believes this arrangement provides (i) consistent leadership, (ii) more effective strategic planning, and (iii) smoother information flow between management and the Board. The Board considers that power and authority remain balanced and will review this arrangement in the future as appropriate.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of Directors and senior management is determined by the Shareholders and the Board, comprising salaries, bonuses, and reasonable expense reimbursements. In setting pay levels, the Board considers market comparisons, time commitment, responsibilities, and performance-based incentives. The Company also participates in statutory PRC social security and housing fund schemes.

Executive Directors and senior management receive salaries, bonuses, and benefits, while independent non-executive Directors are compensated based on their responsibilities. The aggregate remuneration expense to our Directors for the three years ended 31 December 2023, 2024 and 2025 was approximately RMB7.9 million, RMB5.1 million and RMB3.9 million, respectively.

The five highest paid individuals for these years included two, two and one Directors. The aggregate remuneration expense to the remaining three, three and four highest paid individuals during the same periods was approximately RMB2.9 million, RMB4.3 million and RMB7.3 million, respectively.

It is estimated that remuneration equivalent to approximately RMB1.6 million will be paid to the Directors for the year ending 31 December 2026. No remuneration was paid to any Director or the five highest paid individuals as inducement to join or as compensation for loss of office during the Track Record Period, and none waived any remuneration.

COMPLIANCE ADVISOR

The Company has appointed Maxa Capital Limited as its compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The advisor will provide guidance to the Company in the following situations: (i) before publishing any regulatory announcement, circular, or financial report; (ii) when contemplating a notifiable or connected transaction, including share issues or repurchases; (iii) when the use of Global Offering proceeds or business results differ from those stated in the prospectus; and (iv) when the Stock Exchange inquires about unusual share price or volume movements, potential false markets, or related matters. The appointment will begin on the Listing Date and end when the Company issues its annual report for the first full financial year commencing after the Listing Date.

DIRECTORS AND SENIOR MANAGEMENT

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules: Each Director confirms that, as at the Latest Practicable Date, he or she had no interest in any business that competes, or is likely to compete, directly or indirectly with our business, as required under Rule 8.10.

Rule 3.09D of the Listing Rules: Each Director confirms that (i) he or she obtained the legal advice required under Rule 3.09D in June 2025; and (ii) understands his or her duties as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules: Each independent non-executive Director confirms (i) his/her independence under Rule 3.13(1)–(8); (ii) no financial or other interest in, or connection with, our Company, its subsidiaries, or any core connected person as at the Latest Practicable Date; and (iii) no other factors affecting independence at the time of appointment.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As at the Latest Practicable Date and after the completion of the Shares Subdivision, details of which are set out in “History and Corporate Structure — Establishment and Major Corporate Development of our Company — C. Share Subdivision in June 2025”, and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares, the registered and issued share capital of our Company was RMB277,205,905, comprising 277,205,905 Domestic Shares with a nominal value of RMB0.20 each.

UPON COMPLETION OF THE GLOBAL OFFERING AND THE CONVERSION OF DOMESTIC SHARES INTO H SHARES

Immediately following completion of the Global Offering and the Conversion of Domestic Shares into H Shares, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering (%)
Domestic Shares	31,565,289	10.34
H Shares converted from Domestic Shares	245,640,616	80.46
H Shares to be issued under the Global Offering	<u>28,087,000</u>	<u>9.20</u>
Total	<u>305,292,905</u>	<u>100.00</u>

See “— Conversion of Domestic Shares into H Shares” below for details of the identities of our Shareholders whose Shares will remain as Domestic Shares and whose Shares will be converted into H Shares upon Listing.

The above table assumes the Global Offering becomes unconditional and is completed.

OUR SHARES

Upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, the Shares will consist of Domestic Shares and H Shares. Domestic Shares and H Shares are all ordinary Shares in the share capital of our Company. 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 our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic Shares, on the other hand, may only be subscribed for and transferred in Renminbi. Domestic Shares and H Shares are regarded as one class of Shares under our Articles of Association. Our Domestic Shares are not listed or traded on any stock exchange.

RANKING

Save as described in this prospectus, Domestic Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares,

SHARE CAPITAL

dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Domestic Shares, dividends in the form of Shares will be distributed in the form of additional Domestic Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

According to stipulations made by the State Council's securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, the requisite internal approval processes have been duly completed and the approvals from the relevant PRC regulatory authorities, including the CSRC, and the relevant overseas stock exchange have been obtained. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

The Conversion of Domestic Shares into H Shares will involve an aggregate of 245,640,616 Domestic Shares held by 27 existing Shareholders (the "**Full Circulation Participating Shareholders**"), representing 80.46% of total issued Shares of the Company upon completion of the Conversion of Domestic Shares into H Shares and the Global Offering.

If any other of the Domestic Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. We may apply for the listing of all or any portion of the Domestic Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. Approval of Shareholders at a general meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange.

Listing Review and Approval by the CSRC

In accordance with the Guidelines for Applying "Full Circulation" for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) and Trial Administrative Measures and relevant five guidelines announced by the CSRC, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorise the company to file with the CSRC on their behalf.

Our Company applied for a "Full Circulation" with the CSRC on 2 July 2025, and submitted the application reports, authorization documents of the Shareholders of Domestic Shares for which an H-share "Full Circulation" was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. Our Company received the reply from the CSRC dated 11 May 2026, in relation to the "Full Circulation," pursuant to which, a total of 245,640,616 unlisted Domestic shares (with a nominal value of RMB0.20 each) held by the Full Circulation Participating Shareholders were approved to be converted into H Shares, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion. This reply shall remain effective within 12 months from the date of approval.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering and the H Shares to be converted from 245,640,616 Domestic Shares, which is subject to the approval by the Stock Exchange.

SHARE CAPITAL

We will perform the following procedures for the Conversion of Domestic Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our H Share Registrar regarding the relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. The Full Circulation Participating Shareholders may only deal in the H Shares upon completion of the domestic procedures as disclosed in this section.

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within a period of one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Programme for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, please see “Appendix III — Summary of Our Articles of Association — The General Meeting — General Provisions on Shareholders’ Meeting” in this prospectus.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company:

Name of Shareholder	Nature of interest	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares			
		Number of Domestic Shares	Shareholding percentage (Approximate %)	Number of Shares	Class of Shares	Approximate percentage of shareholding in our H Shares	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Zhan	Interest held by controlled corporation (note 2)	24,389,160	8.80	24,389,160	H Shares	8.91	7.99
	Beneficial owner	76,884,535	27.74	76,884,535	H Shares	28.09	25.18
	Interest held jointly with other persons (note 3)	19,610,825	7.07	19,610,825	H Shares	7.16	6.42
Mr. Su Xiaosheng	Beneficial owner	12,047,500	4.35	12,047,500	H Shares	4.40	3.95
	Interest held jointly with other persons (note 3)	108,837,020	39.26	108,837,020	H Shares	39.76	35.65
Ms. Chi Chang	Beneficial owner	3,781,700	1.36	3,781,700	H Shares	1.38	1.24
	Interest held jointly with other persons (note 3)	117,102,820	42.24	117,102,820	H Shares	42.78	38.36
Mr. Han Songguang	Beneficial owner	3,781,625	1.36	3,781,625	H Shares	1.38	1.24
	Interest held jointly with other persons (note 3)	117,102,895	42.24	117,102,895	H Shares	42.78	38.36

Notes:

- (1). All the interests stated are long positions.
- (2). Mr. Zhan is the general partner of each of Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership. Mr. Zhan is deemed to be interested in all the Shares held by Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership.
- (3). Pursuant to the concert party agreements entered into by Mr. Zhan with Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang (collectively referred to as the "**Concert Parties**"), the Concert Parties had agreed to act in concert in exercising Shareholders' rights pertaining to our Company and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of our Company.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of our Group.

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You should read the following discussion and analysis in conjunction with our audited consolidated financial statements, including the notes thereto included in the Accountants' Report set out in Appendix I to this prospectus. You should read the entire Accountants' Report in Appendix I to this prospectus and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

During the Track Record Period, our business demonstrated strong and consistent growth, driven by the continued expansion of our AI-powered products across key verticals, including civil aviation, commerce, and driving safety. Our revenue increased from RMB242.4 million in 2023 to RMB395.2 million in 2024, and further increased to RMB443.0 million in 2025, representing a CAGR of 35.2% from 2023 to 2025. Gross profit rose from RMB98.8 million in 2023 to RMB157.2 million in 2024 and reached RMB167.1 million in 2025, with gross profit margins fluctuated between 40.8% in 2023 and 37.7% in 2025. We recorded a net loss of RMB32.6 million in 2023, a net profit of RMB8.3 million in 2024, and a net loss of RMB68.1 million in 2025.

Our revenue is primarily generated from three major business lines: intelligent civil aviation, intelligent commerce, and intelligent driving safety. Our intelligent civil aviation segment operates on a project basis. The intelligent commerce segment adopts a dual model, with the intelligent business solution and intelligent park management solution operating on a project basis, while the sales of Smart Door Locks are conducted on an order basis. Our intelligent driving safety business operates entirely on an order basis.

Whether our products were standardised or customised for our customers

Our products are primarily standardised at the core component level but are configured and integrated in a customised manner to meet the specific requirements of enterprise customers. We apply a modular building block approach, developed through over ten years of experience in computer vision and optical imaging. This approach enables the reuse and adaptation of foundational modules, including computer vision algorithms (ranging from traditional image processing and deep learning to large-scale visual models), optical systems (such as high dynamic range and multi-spectral imaging), and data infrastructure platforms.

These core modules are assembled into visual intelligence agents, including RecoSee for perception, RecoAware for cognition, and RecoThink for reasoning. These agents are deployed as semi-customised solutions across different industry scenarios, allowing for flexibility in application while maintaining cost efficiency and scalability.

- In the intelligent civil aviation segment, for example, products such as the Tickway Access Gate incorporate standardised hardware components, including passenger identity verification devices, and software modules such as the WinGuard Identity Verification system. These are then customised to meet airport-specific operational needs, including integration with security screening and boarding procedures. At Lanzhou Zhongchuan International Airport, our solutions have been adapted to local process requirements while maintaining a consistent technology base.

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- In the intelligent commerce segment, the SINHON Business System uses standardised front-end terminals and LLMs. These are adapted for use in commercial real estate environments to support closed-loop operations, address fragmented data systems, and improve workflow efficiency.
- In the intelligent driving safety segment, safety driving assistance products are based on standardised terminal-based monitoring devices and cloud-based risk analysis engines. These systems have been customised for vehicle fleet operations, serving fleets comprising over 500,000 units as of 31 December 2025.

This hybrid model of standardised core technologies and customised application layers supports scalability across sectors. As at the end of 2025, our solutions had been deployed in two-thirds of China's major airports. Our Directors consider that this approach provides a balance between cost control and solution adaptability, enabling us to respond to specific customer requirements while maintaining operational efficiency. This model has contributed to our market position, according to Frost & Sullivan.

Looking ahead, we expect to maintain our growth trajectory by expanding our intelligent product portfolio, deepening technological integration, and capitalising on new opportunities in intelligent robotics and adjacent enterprise applications. Backed by strong productisation capabilities, forward-looking R&D, and scalable commercialisation strategies, we believe we have the capability to capture sustained value in China's rapidly evolving enterprise AI market.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with the IFRSs. The preparation of the historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 3 to the Accountants' Report in Appendix I to this prospectus.

For ordinary shares issued to the Pre-IPO Investors, pursuant to the supplemental agreements entered into between the Company and the Pre-IPO Investors in relation to the termination of certain redemption rights and liquidation preference rights granted by the Company, which are void ab initio as described in note 28 to the Accountants' Report in Appendix I to this prospectus, and having taken into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the Directors consider that it is appropriate to present the pre-IPO investments as equity throughout the Relevant Periods. For details of the financial impact, see note 28 to the Accountants' Report 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.

Seasonality of our revenue

Our business is subject to seasonality, which may introduce volatility to our financial performance. In particular, acceptance of our products and solutions, especially under our intelligent civil aviation and intelligent commerce business lines, has historically been concentrated in the second half of the year, with a material portion of revenue generated and recognised in the fourth quarter. This pattern is primarily attributable to the procurement and inspection schedules of our customers, who typically complete inspections and confirm delivery of our products and solutions in the fourth quarter of the fiscal year in accordance with their internal budgeting and operational practices. During the Track Record Period, we recognised 80.6%, 56.0% and 77.9% of our annual revenue in the fourth quarter of 2023, 2024 and 2025, respectively. The degree of seasonality may vary from year to year due to fluctuations in industry demand, customer procurement cycles, macroeconomic conditions and other external factors. As a result, our revenue and results of operations for any interim period may not be indicative of our full-year performance.

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This seasonality also impacts our inventory and working capital management. If actual demand during peak periods exceeds our expectations, we may experience production bottlenecks, delivery delays or insufficient inventory, which could affect customer satisfaction and revenue recognition. Conversely, if demand falls short of expectations, we may face excess inventory, increased working capital requirements and the risk of inventory impairment losses, all of which could adversely affect our liquidity and financial condition. We expect these seasonal fluctuations in revenue and operating performance to continue, and any failure to effectively manage the impact of such fluctuations could adversely affect our business, results of operations and financial condition.

Development of the enterprise visual AI product market in China

We operate in the rapidly growing enterprise visual AI product market. Our business, financial performance, results of operations and future growth are in turn affected by the development of the enterprise visual AI product industry, including the general factors affecting China's enterprise visual AI product market, government measures, as well as the market acceptance and demand of enterprise visual AI products and related services. According to the Frost & Sullivan Report, the market size of enterprise visual AI product industry in China increased from RMB14.9 billion in 2021 to RMB40.5 billion in 2025, with a CAGR of 28.4% from 2021 to 2025, and is expected to reach RMB162.7 billion in 2030, with a CAGR of 32.1% from 2025 to 2030.

In particular, the rising demand for products to further improve operational efficiency, reduce costs and enhance customer experience, technological advancement, and favourable government measures create growing demand for and incentivize the utilisation of enterprise visual AI products. Favourable national strategies and preferential policies such as the New Generation Artificial Intelligence Development Plan, as well as sector-specific initiatives in areas like civil aviation, including the Civil Aviation Administration's "14th Five-Year Plan" for Civil Aviation Development, the 2022 Guidelines on the Construction and Development of Big Data in the Civil Aviation Industry, the 2023 Guidelines on Implementing the Overall Plan for Building a Digital China and Accelerating the Development of a Smart Civil Aviation Industry, the 2024 National Artificial Intelligence Industry Comprehensive Standardization, and the 2025 Implementation Opinions on Promoting High-Quality Development of "AI+Civil Aviation", have encouraged the integration of AI and big data to modernise operations and infrastructure. For example, such infrastructure initiatives include the new Guangzhou airport, the new Dalian airport, aviation hub developments in Nanjing, Nantong and Shanghai, and the expansion and upgrade of Chengdu Tianfu International Airport.

In the process of modernizing operations and infrastructure, enterprise visual AI products for civil aviation will empower the digital transformation of multiple application scenarios within the industry, and thus be widely adopted. Furthermore, enterprise visual AI products are being adopted not only in new application scenarios, but also to enhance existing solutions as part of broader intelligent upgrades of existing scenarios. We have the capability to capture such market opportunities with our extensive enterprise visual AI product portfolio.

Our ability to enhance and develop our products

We have built a complete full-stack technology system. Favourable national strategies, as well as sector-specific initiatives have encouraged the integration of AI and big data to modernise operations and infrastructure. Our technology system also incorporates optical imaging technologies, enabling seamless end-to-end integration from technology development to product application. Our visual AI products are subject to diversified use cases and rapidly evolving customer demands, and the enterprise visual AI product industry we operate in is characterised by constant product innovations and technological advancements. To maintain our leading position in the enterprise visual AI product market in China and achieve sustainable growth, we must continuously enhance our visual AI products to keep pace with these changes in a timely and effective manner. To that end, our ability to efficiently develop and launch new visual AI products and enhance our existing visual AI products is critical to our growth prospects. Our research and development capabilities are the backbone of our ability to enhance and develop our products. We

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have invested and expect to continue to invest significant resources in our research and development efforts. During the Track Record Period, our research and development costs were RMB46.6 million, RMB53.1 million and RMB71.9 million in 2023, 2024 and 2025, respectively, accounting for 19.2%, 13.4% and 16.2% of our total revenue in the same years, respectively. In addition, while we strive to achieve efficiency with our research and development efforts, as similar initiatives in the enterprise visual AI product industry are usually associated with uncertainties in the process and outcome, we may experience fluctuations in research and development costs and we may not be able to predict the results of and return on such investment, which, in turn, may affect our results of operations.

Our commercialisation and sales and marketing capabilities

We have actively advanced product commercialisation and market expansion, contributing to the growth of our customer base, sales volume and revenue. By building a strong track record of benchmark cases, we have earned increasing industry recognition for our products and technologies. Our growth is supported by a comprehensive sales system enabling professional specialisation and full lifecycle customer engagement, as well as close collaboration between our sales and R&D teams, which shortens the demand-to-delivery cycle and accelerates solution iteration. Our rapid revenue growth during the Track Record Period reflects the effectiveness of these efforts. We have devoted, and expect to continue to devote, substantial resources to our sales and marketing initiatives to deepen our penetration and achieve higher market recognition. During the Track Record Period, our selling and distribution expenses were RMB40.0 million, RMB41.3 million and RMB39.5 million in 2023, 2024 and 2025, respectively, representing 16.5%, 10.5% and 8.9% of our total revenue in the same years, respectively. As we continue to scale up our business operations, we expect to achieve greater cost efficiency with our sales and marketing initiatives. Nevertheless, changes in selling expenses could have a significant impact on our operating costs and results of operations.

Our ability to manage our costs and expenses and achieve operational efficiency

Our ability to achieve profitability and sustainable growth depends, in part, on our management of the cost of sales. In 2023, 2024 and 2025, our cost of sales was RMB143.6 million, RMB237.9 million and RMB275.9 million, respectively, accounting for 59.2%, 60.2% and 62.3% of our revenue for the same years, respectively. Our cost of sales primarily consists of cost of outsourced production and material procurement. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. For example, the cost of outsourced production and material procurement may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation. In addition, our cost of sales and gross margin may, from time to time, be affected by the write-down of obsolete or slow-moving inventories. In order to assess the hypothetical financial impacts of our cost of sales, the following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in cost of sales on our gross profit for the years indicated:

	2023		Years ended 31 December 2024		2025	
	<i>Change in gross profit RMB'000</i>	<i>% change in gross profit %</i>	<i>Change in gross profit RMB'000</i>	<i>% change in gross profit %</i>	<i>Change in gross profit RMB'000</i>	<i>Change in gross profit %</i>
+ 5%	(7,178)	(7.3)	(11,897)	(7.6)	(13,793)	(8.3)
-5%	7,178	7.3	11,897	7.6	13,793	8.3
+ 10%	(14,355)	(14.5)	(23,795)	(15.1)	(27,586)	(16.5)
-10%	14,355	14.5	23,795	15.1	27,586	16.5

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and distribution expenses, administrative expenses and research and development expenses during the Track Record Period. For details of our measures to improve the management of costs and expenses, please refer to the section headed “Business — Path to Profitability” in this prospectus.

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Changes in our product mix

During the Track Record Period, we primarily generated revenue from three principal sectors, including civil aviation, commerce and driving safety. The gross profit margins of different products tend to vary, and the gross profit margins of our products could change with technology, product and manufacturing upgrades, and pricing factors. As such, our revenue mix has an impact on our overall gross profit margin. For instance, revenue from intelligent civil aviation accounted for 53.2%, 57.9% and 38.9% of our total revenue in 2023, 2024 and 2025, respectively, and revenue from intelligent commerce accounted for 33.5%, 24.5% and 34.9% of our total revenue in the same years, respectively. The gross profit margin of intelligent civil aviation was 52.6%, 51.8% and 59.2% in 2023, 2024 and 2025, respectively, compared with 24.3%, 29.9% and 32.0% of intelligent commerce in the same years, respectively. Revenue from Intelligent driving safety accounted for 12.5%, 17.5% and 26.2% of our total revenue in 2023, 2024 and 2025, respectively, and its gross profit margin was 38.3%, 13.3% and 16.4% in the same years, respectively. As we launch new visual AI products, upgrade our visual AI product matrix, and refine and expand our market outreach in the future, we may experience further fluctuations in the sales contribution of each category, and the gross profit margin of different product lines and markets may continue to vary, which may have an impact on our results of operations.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies, including but not limited to, revenue recognition, inventories, R&D expenses, share-based payments, leases, impairment of financial assets, and government grants, that are material to the preparation of our financial statements. Some of these policies involve subjective assumptions and estimates, as well as complex judgments related to specific accounting items. In each case, the determination of these items requires management judgment based on information and financial data that may change in future periods. Uncertainty regarding these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amounts of the affected assets or liabilities in the future. For further details on our material accounting policies, judgments, and estimates, see Notes 2.3 and 3 to the Accountants' Report in Appendix I this prospectus.

RESULTS OF OPERATIONS

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

	2023		Year ended 31 December 2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(RMB in thousands, except for percentages)</i>					
REVENUE	242,375	100.0	395,182	100.0	442,955	100.0
Cost of sales	(143,551)	(59.2)	(237,949)	(60.2)	(275,864)	(62.3)
Gross profit	98,824	40.8	157,233	39.8	167,091	37.7
Other income and gains	9,918	4.1	11,903	3.0	9,733	2.2
Selling and distribution expenses	(39,972)	(16.5)	(41,344)	(10.5)	(39,507)	(8.9)
Administrative expenses	(42,731)	(17.6)	(43,848)	(11.1)	(54,443)	(12.3)
Research and development costs	(46,636)	(19.2)	(53,136)	(13.4)	(71,898)	(16.2)
Impairment losses on financial assets and contract assets, net	(9,825)	(4.1)	(18,913)	(4.8)	(70,054)	(15.8)
Other expenses	(763)	(0.3)	(1,663)	(0.4)	(4,081)	(0.9)
Finance costs	(1,392)	(0.6)	(1,944)	(0.5)	(4,990)	(1.1)
PROFIT/(LOSS) BEFORE TAX	(32,577)		8,288		(68,149)	
Income tax expense	—		—		—	
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR	<u>(32,577)</u>		<u>8,288</u>		<u>(68,149)</u>	

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For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see “— Share Capital and Total Equity” below and note 28 to the Accountants’ Report set out in Appendix I to this prospectus.

NON-IFRS FINANCIAL MEASURES

Below we set out our adjusted net profit/(loss) (a non-IFRS measure) for the years ended 31 December 2023, 2024 and 2025, derived from our net profit/(loss) under IFRSs by adding back (i) share-based payment expenses and (ii) listing expenses. Management uses this measure to supplement analysis of operating performance, as it excludes non-cash share-based charges and one-off listing expenses related to our Global Offering. These non-IFRS measures have been calculated using the same consolidation scope, accounting policies and period cut-offs applied in the Accountants’ Report prepared in accordance with IFRSs. No pro forma, normalisation or other hypothetical adjustments have been made.

These measures are not recognised under IFRSs, may differ from similar measures used by other companies, and should not be considered in isolation from the IFRS financial information.

We believe this presentation is intended to assist investors in understanding our underlying operating performance during the Track Record Period; and it does not purport to indicate results for any future period.

	For the year ended 31 December (RMB’000, except percentages)		
	2023	2024	2025
Net profit/(loss) (IFRS)	(32,577)	8,288	(68,149)
Add: Share-based payment expenses	4,002	—	5,307
Add: Listing expenses	—	519	14,053
Adjusted net profit/(loss) (non-IFRS)	(28,575)	8,807	(48,789)
Adjusted net profit/(loss) (non-IFRS) as % of revenue	(11.8)%	2.2%	(11.0)%

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME OR LOSS

Revenue

During the Track Record Period, we primarily generated revenue from three principal sectors including civil aviation, commerce and driving safety. In 2023, 2024 and 2025, our revenue was RMB242.4 million, RMB395.2 million and RMB443.0 million, respectively. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	2023		Years ended 31 December 2024		2025	
	Revenue (RMB’000)	%	Revenue (RMB’000)	%	Revenue (RMB’000)	%
Intelligent civil aviation	128,793	53.2	228,837	57.9	172,395	38.9
Intelligent commerce	81,181	33.5	96,982	24.5	154,487	34.9
Intelligent driving safety	30,373	12.5	68,978	17.5	115,915	26.2
Others ⁽¹⁾	2,028	0.8	385	0.1	158	0.0
Total	242,375	100.0	395,182	100.0	442,955	100.0

Note:

(1) Others primarily include sales of smart water and electricity metres and electronic components.

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Our revenue increased by 63.1% from RMB242.4 million in 2023 to RMB395.2 million in 2024, primarily due to growing customer recognition of our products as reliable and well-suited to the operational needs of clients in the civil aviation, commerce, and driving safety sectors, as well as our continuous sales efforts in the commercialisation of these products. This was evidenced by the increase in revenue contributed by our five largest customers for the year from RMB143.2 million in 2023, to RMB290.6 million in 2024. Revenue contributed by our five largest customers was RMB267.1 million in 2025, representing 60.3% of our revenue for that year, in comparison with 59.1% and 73.5% in 2023 and 2024, respectively.

Our revenue increased by 12.1% from RMB395.2 million in 2024 to RMB443.0 million in 2025 due to an increase in revenue from the commerce and driving safety sectors. During 2025, the revenue contribution from the civil aviation sector decreased from 57.9% to 38.9%, while the commerce sector increased from 24.5% to 34.9% and the driving safety sector increased from 17.5% to 26.2%.

Cost of sales

The following table sets out a breakdown of the cost of sales and each item's proportion of the total cost of sales in the relevant period:

	2023		Years ended 31 December 2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Material procurement	128,330	89.4	218,315	91.7	258,328	93.6
Consigned Manufacturing ⁽¹⁾	10,445	7.3	1,353	0.6	2,061	0.8
Installation	1,419	1.0	17,969	7.6	12,443	4.5
Other	1,222	0.8	1,258	0.5	171	0.1
Write-down/ (reversal of) inventories to net realisable value	2,135	1.5	(946)	(0.4)	2,861	1.0
	<u>143,551</u>	<u>100.0</u>	<u>237,949</u>	<u>100.0</u>	<u>275,864</u>	<u>100.0</u>

Note:

- (1) Refer to the production arrangement in which we (as client) supply all required raw materials, components, or parts to the manufacturer. The manufacturer is responsible only for processing, assembling, or manufacturing the final product according to our specifications. The manufacturer does not provide or procure any raw materials; their responsibility is strictly limited to the manufacturing or processing operations that we assign.

In 2023, 2024 and 2025, our cost of sales was RMB143.6 million, RMB237.9 million and RMB275.9 million, respectively, representing 59.2%, 60.2% and 62.3% of our revenue for the same years, respectively. Our cost of sales primarily consists of material procurement, which accounted for over 70.0% of total cost of sales for each period during the Track Record Period.

Our cost of sales increased by 65.8% from RMB143.6 million in 2023 to RMB237.9 million in 2024, and increased further by 15.9% to RMB275.9 million in 2025, which is generally in line with the changes of our revenue during the same period.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB98.8 million, RMB157.2 million and RMB167.1 million, respectively. Our gross profit margin remained relatively stable at 40.8%, 39.8% and 37.7%, respectively.

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The following table sets forth a breakdown of our gross profit/(gross loss) and gross profit margin by business line for the years indicated.

	Years ended 31 December					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit/ (gross loss)</i>	<i>profit margin (%)</i>	<i>Gross profit/ (gross loss)</i>	<i>profit margin (%)</i>
	<i>(RMB in thousands, except for percentages)</i>					
Intelligent civil aviation	67,713	52.6	118,481	51.8	102,026	59.2
Intelligent commerce	19,687	24.3	29,018	29.9	49,378	32.0
Intelligent driving safety	11,639	38.3	9,195	13.3	19,007	16.4
Others ⁽¹⁾	1,920	94.7	(407)	N/A	(459)	N/A
(Write-down)/reversal of inventories to net realisable value	(2,135)	—	946	—	(2,861)	—
Total	98,824	40.8	157,233	39.8	167,091	37.7

Note:

- (1) Others primarily include sales of smart water and electricity metres and electronic components. The gross loss recorded in 2024 and 2025 was primarily due to allowances for product returns.

Monitoring and Anticipation of Technology Specification Updates, and Inventory Management Policy

We monitor and anticipate technology specification updates through our established research and development framework and core technological capabilities. Our Group maintains a full-stack technology system comprising base technologies (including algorithms, optical imaging and large-scale datasets), fusion technologies (including AI-ISP integration and model quantisation), and modular building block technologies (such as visual intelligence agents including RecoSee, RecoAware and RecoThink). This structure enables us to adapt to technological advancements, including multi-spectral imaging and the development of vision large models, and to maintain the relevance and competitiveness of our products. Our participation in the formulation of over 20 national standards in the field of AI and our recognition as a “National Intellectual Property Exemplary Enterprise” support our ongoing monitoring of technological trends. Our Directors consider that our continuing investment in research and development enables us to address these uncertainties and incorporate emerging technologies in a timely manner.

Prior to the Track Record Period, we adopted an anticipatory inventory management policy involving advance procurement. This approach resulted in excess inventory, which was subsequently written down. In 2023, our inventory management policy transitioned to a “produce-to-order” model, which align production with confirmed customer orders and to minimise inventory holding risks. Under this approach, procurement and manufacturing are initiated upon receipt of customer orders, supported by our optimised supply chain processes, material planning, production scheduling and enterprise resource planning systems. This model has contributed to reductions in inventory levels and turnover days (from 174 days in 2023 to 64 days in 2024 and 45 days in 2025), and to improvements in gross profit margins as a result of a focus on higher-margin visual AI products. We conduct regular assessments of net realisable value and make appropriate adjustments where necessary.

Other income and gains

We recorded other income and gains of RMB9.9 million, RMB11.9 million and RMB9.7 million in 2023, 2024 and 2025, respectively. Other income and gains primarily consist of government grants, value-added tax reductions and refunds, bank interest income, investment income from

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financial assets at fair value through profit or loss (“FVTPL”), fair value gains on financial assets at FVTPL, and gain on disposal of right-of-use assets. The following table sets forth a breakdown of our other income and gains for the years indicated.

	Years ended 31 December					
	2023		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(RMB in thousands, except for percentages)</i>					
Other income						
Government grants	8,133	82.0	8,574	72.0	7,642	78.5
Value-added tax reductions and refunds	198	2.0	2,374	19.9	421	4.3
Bank interest income	239	2.4	126	1.1	9	0.1
Investment income from financial assets at fair value through profit or loss	367	3.7	(4)	0.0	—	N/A
Others	757	7.6	729	6.1	1,051	10.8
Total other income	9,694	97.7	11,799	99.1	9,123	93.7
Gains						
Fair value gains on financial assets at fair value through profit or loss	2	0.0	15	0.1	5	0.1
Gain on disposal of right-of-use assets	222	2.2	89	0.7	210	2.2
Gain on waive of lease liability by the lessor	—	N/A	—	N/A	395	4.1
Total gains	224	2.3	104	0.9	610	6.3
Total other income and gains	9,918	100.0	11,903	100.0	9,733	100.0

Government grants recognised under other income primarily represent subsidies granted by local government authorities in connection with research and development. Fair value gains on financial assets at FVTPL were primarily related to wealth management products. For details, please refer to the paragraph headed “— Discussion of Certain Key Items on Consolidated Statements of Financial Position — Financial Assets at FVTPL” in this section.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consist of employee benefit expenses, office and travelling expenses, business development expenses, marketing and promotion expenses, depreciation and amortisation, and share-based payment. The following table sets forth a breakdown of our selling and distribution expenses for the years indicated.

	Years ended 31 December					
	2023		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses	27,480	68.7	29,991	72.5	23,430	59.3
Office and travelling expenses	6,986	17.5	5,450	13.2	7,571	19.2
Business development expenses	2,498	6.2	3,421	8.3	2,613	6.6
Marketing and promotion expenses	1,427	3.6	1,160	2.8	2,629	6.7
Depreciation and amortisation	1,394	3.5	1,322	3.2	1,019	2.6
Share-based payment	187	0.5	—	—	2,245	5.6
Total	39,972	100.0	41,344	100.0	39,507	100.0

In 2023, 2024 and 2025, our selling and distribution expenses were RMB40.0 million, RMB41.3 million and RMB39.5 million, respectively, accounting for 16.5%, 10.5% and 8.9% of our revenue for the same years, respectively.

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The fluctuation in our selling and distribution expenses over the Track Record Period was primarily attributable to (i) employee benefit expenses, which rose from RMB27.5 million in 2023 to RMB30.0 million in 2024 before decreasing to RMB23.4 million in 2025, driven by adjustments to performance based bonuses and sales workforce optimization; (ii) marketing and promotion expenses, which decreased from RMB1.4 million in 2023 to RMB1.2 million in 2024, before increasing to RMB2.6 million, mainly driven by varying levels of marketing promotion, and pre-sales activities and (iii) office and travelling expenses, which decreased from RMB7.0 million in 2023 to RMB5.5 million in 2024 before increasing to RMB7.6 million in 2025, mainly driven by the impact of our cost control measures and market expansion.

Administrative Expenses

Our administrative expenses primarily consist of employee benefit expenses, depreciation and amortisation, office and travelling expenses, professional fees, and share-based payment. The following table sets forth a breakdown of our administrative expenses for the years indicated.

	Years ended 31 December					
	2023		2024		2025	
	<i>Amount</i>	<i>% of Total</i>	<i>Amount</i>	<i>% of Total</i>	<i>Amount</i>	<i>% of Total</i>
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses	23,822	55.7	24,998	57.0	22,092	40.6
Depreciation and amortisation	9,111	21.3	7,286	16.6	5,150	9.5
Office and travelling expenses	5,016	11.7	5,771	13.2	6,181	11.4
Professional fees	1,301	3.0	2,988	6.8	1,915	3.5
Business development expenses	1,415	3.3	1,131	2.6	1,592	2.9
Listing expenses	—	—	519	1.2	14,053	25.8
Share-based payment expenses	1,554	3.6	—	—	2,544	4.7
Others	512	1.4	1,155	2.6	916	1.7
Total	42,731	100.0	43,848	100.0	54,443	100.0

In 2023, 2024 and 2025, our administrative expenses were RMB42.7 million, RMB43.8 million and RMB54.4 million, respectively, accounting for 17.6%, 11.1% and 12.3% of our revenue for the same years, respectively.

In 2023, our administrative expenses were RMB42.7 million. Employee benefit expenses of RMB23.8 million (55.7% of total administrative expenses) represented the largest component, followed by depreciation and amortisation of RMB9.1 million (21.3%) and office and travelling expenses of RMB5.0 million (11.7%). Share-based payment expenses were RMB1.6 million (3.6%), as a substantial portion of such expenses had already been amortised in prior years, leaving only a relatively small balance to be amortised in 2023. In 2024, administrative expenses remained relatively stable at RMB43.8 million. While employee benefit expenses and office and travelling expenses increased slightly, the impact was offset by the absence of share-based payment expenses and a reduction in depreciation and amortisation. Listing expenses of RMB0.5 million were also recorded for the first time in 2024. In 2025, our administrative expenses were RMB54.4 million, accounting for 12.3% of our revenue for the year. The increase from RMB43.8 million in 2024 was mainly due to the addition of listing expenses of RMB14.1 million (25.8% of total administrative expenses) and share-based payment expenses of RMB2.5 million (4.7%). Employee benefit expenses and depreciation and amortisation declined slightly following organisational stabilisation and the completion of office renovation amortisation.

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Research and development costs

Our research and development costs primarily consist of employee benefit expenses, outsourced development expenses, R&D material costs, depreciation and amortisation, professional fees, office and travelling expenses, and share-based payment expenses. The following table sets forth a breakdown of our research and development costs for the years indicated.

	2023		Years ended 31 December 2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses	33,322	71.5	35,563	66.8	29,294	40.7
Outsourced development expenses	3,416	7.3	13,262	25.0	36,572	50.9
R&D material costs	2,990	6.4	1,738	3.3	2,509	3.5
Depreciation and amortisation	1,688	3.6	1,584	3.0	2,258	3.1
Professional fees	2,227	4.8	624	1.2	402	0.6
Office and travelling expenses	732	1.6	365	0.7	345	0.5
Share-based payment expenses	2,261	4.8	—	—	518	0.7
Total	46,636	100.0	53,136	100.0	71,898	100.0

In 2023, 2024 and 2025, our research and development costs were RMB46.6 million, RMB53.1 million and RMB71.9 million, respectively, accounting for 19.2%, 13.4% and 16.2% of our revenue for the same years, respectively.

In 2023, our research and development costs were RMB46.6 million, primarily comprising employee benefit expenses of RMB33.3 million (71.5% of total research and development costs), which reflected the cost of our in-house R&D team focused on the development and iteration of core technologies and products. Outsourced development expenses amounted to RMB3.4 million (7.3%), mainly due to the procurement of data annotation services from a third-party vendor to support algorithm training. As data annotation is a supportive function rather than a core R&D activity, our Directors consider outsourcing this task enabled us to allocate internal resources more efficiently, allowing our in-house R&D team to remain focused on the development and iteration of core technologies and products.

In 2024, our research and development costs increased by 13.9% compared to 2023, primarily due to a year-on-year increase of RMB9.8 million in outsourced development expenses. These expenses were mainly related to data annotation services, and software development. Data annotation services included manual labeling of image data such as object detection, image classification, and semantic segmentation to train and optimize computer vision models, while software development included the customized development of industry-specific systems, such as video surveillance platforms and property management systems, as well as peripheral supporting functional modules including point-of-sale systems and energy control modules for lighting and other utilities for the intelligent commerce segment. All outsourced R&D projects serve as supplement to our in-house R&D activities, with the development and iteration of core technologies and products consistently undertaken by our in-house R&D personnel.

In 2025, our research and development costs increased by 35.3%, from RMB53.1 million in 2024 to RMB71.9 million in 2025, mainly due to increase in outsourced development expenses, which rose to RMB36.6 million and accounted for 50.9% of total research and development costs, becoming the largest component of R&D spending. Employee benefit expenses declined to RMB29.3 million (40.7% of total), reflecting a balanced allocation of internal and external resources in R&D activities. The increase in outsourced development was mainly driven by the development of video analytics software based on deep learning algorithms utilising neural networks, the mechanical design of peripheral components for baggage transfer robots, the development of a remote monitoring platform for airport boarding gates; and the development of application mini-programs for the SINHON Business System. In addition, we incurred RMB0.5 million of share-based payment expenses in 2025, following new grants to key R&D personnel.

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Reasons for Outsourcing and Assurance of In-House R&D Capabilities

We selectively outsourced certain R&D tasks to supplement internal capacity and accelerate project timelines, rather than to substitute our core capabilities. The outsourcing mainly related to non-core and supportive activities, such as data annotation, development of industry-specific systems, and mechanical design of peripheral components for baggage transfer robots. These activities did not involve the development of our proprietary algorithms or control architecture. From time to time, we undertook outsourcing to address temporary workload peaks and to access specialised fabrication capabilities. We consider this approach allowed our internal R&D team to focus on the core technologies that underpin our competitive advantage, including system architecture, embedded software, AI agents and robotic control systems.

We believe we possess comprehensive in-house R&D capabilities for our specialist technology products. As at 31 December 2025, our R&D team comprised 105 members, and we owned 188 registered patents and 128 software copyrights. We have established an integrated product development management system covering concept design, development and delivery. We have also implemented technical safeguards, including algorithm-to-chip binding and controlled installation procedures, to ensure our proprietary technologies remain secure and protected.

Professional fees under research development cost

Professional fees made up 4.8%, 1.2% and 0.6% of the years ended 31 December 2023, 2024 and 2025, respectively. The following table provides a breakdown of professional fees by nature:

	Years ended 31 December		
	2023	2024	2025
	<i>RMB in thousands</i>		
Technical services fees (<i>Note</i>)	1,536	83	26
Certification fees	230	245	48
Software license fees	105	110	111
Patent fees	356	185	218
	2,227	624	402
Total	2,227	624	402

Note: Technical service fees refers to costs incurred for product design, outsourced product testing by suppliers, and cloud computing services. In 2024, technical services fees decreased due to a reduction in outsourced testing activities and reduced use of cloud services.

Impairment losses on financial assets and contract assets, net

In 2023, 2024 and 2025, our net impairment losses on financial assets and contract assets amounted to RMB9.8 million, RMB18.9 million and RMB70.1 million, respectively, accounting for 4.1%, 4.8% and 15.8% of our total revenue in the respective years. These losses primarily represented the provision for, or net with reversal of, expected credit losses on trade receivables and other receivables under the expected credit loss model.

Other expenses

Our other expenses primarily include non-operating expenses, such as losses from the disposal of property, plant and equipment, and bank charges relating to letter of credit received from Customer A during 2024. We recorded other expenses of RMB0.8 million, RMB1.7 million and RMB4.1 million in 2023, 2024 and 2025, respectively.

During 2024, we understand that Customer A issued a letter of credit for the purpose of settling payments to us, primarily to support its internal cash flow management. This arrangement would allow Customer A to access bank financing through a letter of credit and manage the timing of its

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cash outflows while meeting its payment obligations to us. Based on our communication with Customer A, we understand Customer A maintains banking facilities with a total credit line of no less than RMB500 million across two banks, which enables the use of this payment method.

Our Directors consider that the use of letters of credit by Customer A reflects its own liquidity planning and financing strategy, rather than indicating any concerns regarding our credit standing or payment terms. Our financial performance during the Track Record Period reflected revenue growth, supported by the commercialisation of our AI product offerings.

Finance costs

Our finance costs primarily consist of interest on bank loans, overdrafts and other loans and interest on lease liabilities. In 2023, 2024 and 2025, our finance costs was RMB1.4 million, RMB1.9 million and RMB5.0 million, respectively.

Income tax expense

In 2023, 2024 and 2025, we did not incur any income tax. Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the respective regulations (the “**EIT Law**”), our Company and subsidiaries, which are established and operated in the PRC, are liable to EIT at a rate of 25% unless otherwise specified. In accordance with the EIT Law and its relevant regulations, we were entitled to High Tech Enterprise qualification and enjoyed a preferential tax rate of 15% during the Track Record Period. As at the Latest Practicable Date, we had no material disputes or unresolved tax issues with relevant tax authorities.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

2025 Compared to 2024

Revenue

Our revenue increased by 12.1% from RMB395.2 million in 2024 to RMB443.0 million in 2025, primarily due to the increase in revenue from the intelligent commerce and the intelligent driving safety business.

- Our revenue from intelligent civil aviation decreased by 24.7% from RMB228.8 million in 2024 to RMB172.4 million in 2025, primarily due to a temporary slowdown in the bidding and procurement cycles of domestic airport renovation and expansion projects, which was mainly attributable to the overall macroeconomic environment and relatively cautious capital expenditure planning by airport operators between 2024 to 2025, leading to delays in tendering and implementation, resulting in a market trough and project delays during the year. According to Frost & Sullivan, the pace of bidding activities may remain subject to near-term uncertainties; however, demand relating to airport upgrades and intelligent transformation is expected to continue over the medium to long term. The Directors expect that the commencement of the 15th Five-Year Plan in 2026 will drive a new phase of construction activity, which is anticipated to gradually improve from the second half of 2026, with demand expected to recover more steadily during 2027 to 2028. In particular, at the National Civil Aviation Work Conference held in January 2026, the Civil Aviation Administration of China identified the coordinated advancement of civil aviation infrastructure construction and the acceleration of aviation hub system construction as key tasks for the 15th Five-Year Plan period.
- Our revenue from intelligent commerce increased by 59.3% from RMB97.0 million in 2024 to RMB154.5 million in 2025, primarily due to the delivery of intelligent park management solution to Customer H, which contributed revenue of approximately RMB56.4 million during the year. Revenue growth was further supported by (i) the growing adoption of our intelligent business solutions and intelligent park management solutions by commercial real estate groups and industrial park developers; and (ii) the expanded application of our SINHON Business System, which enabled customers to transition from single-product procurement to integrated solution engagements.

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- Our revenue from intelligent driving safety increased by 68.0% from RMB69.0 million in 2024 to RMB115.9 million in 2025. This was primarily attributable to the large-scale deployment and delivery of our safety driving assistance products, in Henan and Hebei provinces, with end users principally comprising operators of “two passengers, one hazardous, one special” (「兩客一危一特」) vehicles (namely, long-distance passenger vehicles, tourist charter buses, vehicles carrying hazardous goods and special-purpose vehicles). The growth has been driven by (i) the progressive tightening of regulatory enforcement of onboard active safety monitoring requirements for these vehicles, which were implemented in Henan province in 2024 and progressively enforced in Hebei province, with compliance-driven installations continuing throughout 2025; and (ii) the expansion of our product applications into additional vehicle categories, in particular engineering vehicles and cold chain transport vehicles, reflecting broader adoption of active safety monitoring solutions across a wider range of commercial vehicle categories in the PRC.

Cost of sales

Our cost of sales increased by 16.0% from RMB237.9 million in 2024 to RMB275.9 million in 2025, which was generally in line with the change in revenue during the same period. In this period, the material procurement costs increased from RMB218.3 million to RMB258.3 million, accounting for 93.6% of total cost of sales in 2025 (compared with 91.8% in 2024). This reflected higher sales volume across our business segments.

Gross profit and gross profit margin

Our gross profit increased by 6.3% from RMB157.2 million in 2024 to RMB167.1 million in 2025, primarily due to the increase in revenue from the intelligent commerce and the intelligent driving safety business in 2025. Our gross profit margin decreased slightly from 39.8% in 2024 to 37.7% in 2025.

- Our gross profit from intelligent civil aviation decreased by 13.9% from RMB118.5 million in 2024 to RMB102.0 million in 2025, mainly due to lower revenue as a result of a temporary slowdown in the bidding and procurement cycles of domestic airport renovation and expansion projects. Our gross profit margin of intelligent civil aviation increased from 51.8% in 2024 to 59.2% in 2025, primarily due to a higher proportion of high-margin products in the revenue mix.
- Our gross profit from intelligent commerce increased by 70.3% from RMB29.0 million in 2024 to RMB49.4 million in 2025, primarily due to a shift in revenue mix towards higher-margin intelligent business solutions and intelligent park management solutions, together with the scaling back of the lower-margin Smart Door Lock business. As a result, our gross profit margin of intelligent commerce slightly increased from 29.9% in 2024 to 32.0% in 2025, mainly due to this product mix optimisation.
- Our gross profit from intelligent driving safety increased by 106.5% from RMB9.2 million in 2024 to RMB19.0 million in 2025, primarily due to the large-scale deployment of safety driving assistance products in the Henan and Hebei market, which resulted in a significant increase in sales volume. The gross profit margin of intelligent driving safety remained relatively stable, at 13.3% in 2024 and 16.4% in 2025, which continued to reflect the changes in product and channel mix following the commencement of deliveries under provincial, government led deployment projects through telecommunications operator channels in 2024.

Other income and gains

Our other income and gains decreased by 18.5% from RMB11.9 million in 2024 to RMB9.7 million in 2025, primarily due to decrease in value-added tax reductions and refunds, which fell from RMB2.4 million to RMB0.4 million as a result of lower software-related taxable sales and correspondingly lower refund amounts.

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Selling and distribution expenses

Our selling and distribution expenses decreased from RMB41.3 million in 2024 to RMB39.5 million in 2025. The decrease was primarily attributable to a reduction in employee benefit expenses from RMB30.0 million in 2024 to RMB23.4 million in 2025, mainly driven by lower bonus payments to sales personnel. This was further supplemented by decreases in business development expenses (RMB0.8 million, or 23.6%) and depreciation and amortisation (RMB0.3 million, or 22.9%). These decreases were partially offset by the recognition of RMB2.2 million of share-based payment expenses in 2025 (nil in 2024) and a RMB2.1 million (38.9%) increase in office and traveling expenses.

Administrative expenses

Our administrative expenses increased by 24.2% from RMB43.8 million in 2024 to RMB54.4 million in 2025, primarily due to (i) an increase in listing expenses from RMB0.5 million in 2024 to RMB14.1 million in 2025; and (ii) an increase in share-based payment expenses from nil in 2024 to RMB2.5 million in 2025.

Research and development costs

Our research and development costs increased by 35.4% from RMB53.1 million in 2024 to RMB71.9 million in 2025, primarily due to the 175.8% increase in outsourced development projects. Such increase was principally driven by software and algorithm development, including non-vision AI motion planning and obstacle avoidance optimisation, as well as expanded R&D activities in respect of baggage transfer robots, including outsourced software design and testing of non-core components.

Impairment losses on financial assets and contract assets, net

During 2024, we recognized impairment losses on financial assets and contract assets of RMB18.9 million, reflecting ongoing credit risk. In 2025, we recorded an impairment losses on financial assets and contract assets of RMB70.1 million, due to our revenue growth and the corresponding increase in the trade receivables balance. Provisions for such credit impairment losses have been made in accordance with the expected credit loss model, taking into comprehensive consideration the ageing profile of the trade receivables, the credit risk of the customers, historical default rates and available forward-looking information.

Other expenses

Our other expenses increased by 141.2% from RMB1.7 million in 2024 to RMB4.1 million in 2025, primarily due to the losses arising from the disposal of certain obsolete demonstration equipment during the year.

Finance costs

Our finance costs increased by 156.7% from RMB1.9 million in 2024 to RMB5.0 million in 2025, primarily due to the increase of loan amount from RMB76.8 million to RMB151.3 million, which led to an increase in interest expenses on borrowing.

Income tax expense

We did not record any income tax in both 2024 and 2025.

Profit/(loss) and total comprehensive income/(loss) for the period

As a result of the foregoing, we record a loss of RMB68.1 million in 2025 compared to a profit of RMB8.3 million in 2024.

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2024 Compared to 2023

Revenue

Our revenue increased by 63.1% from RMB242.4 million in 2023 to RMB395.2 million in 2024, primarily driven by growing customer recognition of our products and enhanced commercialisation capabilities across various enterprise sectors, including civil aviation, commerce, and driving safety, which demonstrates our ability to effectively scale and deliver value to customers.

- Our revenue from intelligent civil aviation increased by 77.7% from RMB128.8 million in 2023 to RMB228.8 million in 2024, primarily due to the deployment of the TickWay Access Gate in various airports which quickly gained strong market acceptance for its performance. The growth was further supported by the completion and recognition of revenue from two large-scale civil aviation contracts which contributed significantly to our performance in this sector.
- Our revenue from intelligent commerce increased by 19.5% from RMB81.2 million in 2023 to RMB97.0 million in 2024, primarily due to growing adoption of our intelligent business solutions for commercial spaces and tailored intelligent park management solutions for industrial parks. This was notably reflected in the increase in the demand for our intelligent business solution, demonstrating our expanding presence and customer trust in this sector.
- Our revenue from intelligent driving safety increased by 127.1% from RMB30.4 million in 2023 to RMB69.0 million in 2024, primarily due to the large-scale deployment of our newer model safety driving assistance products in 2024 in Henan Province.

Cost of sales

Our cost of sales increased by 65.8% from RMB143.6 million in 2023 to RMB237.9 million in 2024, which was generally in line with the change in revenue during the same year.

Between 2023 and 2024, material procurement costs increased steadily with overall cost of sales, increasing slightly from 89.4% to 91.7%. Despite the overall increase in total cost of sales, consigned manufacturing costs dropped significantly from RMB10.4 million to RMB1.4 million, decreasing from 7.3% to 0.6% of the total cost of sales. During the same period, installation costs increased in both figure and proportion, growing from RMB1.4 million, or 1.0%, to RMB18.0 million or 7.6%. Other cost increased less significantly, and stayed at below 1% of the total cost of sales.

Gross profit and gross profit margin

Our gross profit increased by 59.1% from RMB98.8 million in 2023 to RMB157.2 million in 2024, primarily due to the significant business growth in intelligent civil aviation and intelligent commerce sectors. Our gross profit margin remained relatively stable, at 40.8% in 2023 and 39.8% in 2024.

- Our gross profit from intelligent civil aviation increased by 75.0% from RMB67.7 million in 2023 to RMB118.5 million in 2024, primarily driven by revenue growth from this sector. Our gross profit margin of intelligent civil aviation remained relatively stable at 52.6% in 2023 and 51.8% in 2024.
- Our gross profit from intelligent commerce increased by 47.4% from RMB19.7 million in 2023 to RMB29.0 million in 2024, primarily due to the increase in our revenue from this sector. Our gross profit margin of intelligent commerce in 2023 and 2024 remained relatively stable at 24.3% in 2023 and 29.9% in 2024.
- Our gross profit from intelligent driving safety decreased by 21.0% from RMB11.6 million in 2023 to RMB9.2 million in 2024, and our gross profit margin of intelligent driving safety decreased from 38.3% in 2023 to 13.3% in 2024, primarily due to the disposal of a batch of older model safety driving assistance products in 2024, which led to an inventory write-down as a result of technical specification updates.

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Reasons for the decrease in gross profit margin for the intelligent driving safety segment

The gross profit margin of the intelligent driving safety segment decreased from 38.3% in 2023 to 13.3% in 2024. Our Directors consider that the decrease was mainly attributable to a change in product and channel mix, while the clearance of older model products following updates to technical specifications also contributed to the decline in the gross profit margin.

In 2023, the gross profit margin was supported by a higher proportion of customised, higher priced products supplied to customers assembling for export.

In 2024, the proportion of such sales declined as the Group commenced deliveries for the projects in Henan and Hebei provinces, where we made sales to major telecommunications operators in the PRC or their designated procurement entities, which act as overall contractors under government-led initiatives for the large-scale installation of in-vehicle safety monitoring equipment. Sales of such nature typically carry lower gross profit margins due to bulk procurement arrangements and competitive tendering processes, coupled with the relatively large number of competitors participating in these projects. In 2024, revenue from the telecommunications operator channel amounted to approximately RMB46.0 million, compared with approximately RMB23.0 million from in vehicle equipment manufacturers.

Reasons for the generally higher gross profit margin in the civil aviation segment

During the Track Record Period, our intelligent civil aviation segment recorded higher gross profit margins than other business segments, with gross profit margins of 52.6% in 2023, and 51.8% in 2024. This is due to:

- *Full-Stack Solutions with Scalable Software Deployment:* Our civil aviation products are based on full-stack visual AI technologies designed to support the entire passenger service chain, including check-in, security screening, boarding, and customer service. These solutions incorporate technologies such as multi-spectral imaging, visual perception models, and AI-based image signal processing. By 31 December 2024, our products were deployed in over 60% of airports in China with annual passenger throughput exceeding 10 million, serving a cumulative total of more than 1.5 billion passengers. According to Frost & Sullivan, we ranked first in China's enterprise visual AI market for civil aviation with a market share of 8.7%. Our Directors consider that this level of coverage and market position has enabled pricing strategies that support higher margins, particularly when compared to hardware-intensive sectors such as intelligent commerce and intelligent driving safety, where the relevant gross profit margins ranged from 24.3% in 2023 to 29.9% in 2024 and 38.3% in 2023 to 13.3% in 2024, respectively.
- *Regulatory and Technical Requirements Supporting Market Position:* The civil aviation sector in China is subject to regulatory oversight with strict safety and operational standards. Our Directors consider that these regulatory requirements create barriers to entry and reinforce the value proposition of integrated AI systems that can meet compliance requirements. The role of our products in supporting airport operations, including through real-time detection and visual recognition capabilities, contributes to our ability to secure contracts with major airports. Customers in this segment prioritise service quality, system reliability, and regulatory compliance. As a result, pricing in this sector is less sensitive to competition.
- *Low Marginal Costs from Software-Heavy Product Architecture:* Our Directors consider that the civil aviation segment benefits from a cost structure that is primarily software-based. Once developed, our AI agents, such as the RecoAware Visual Cognition Intelligence Agent, can be deployed across multiple clients with limited incremental cost. These products are based on reusable technology components, including decision-making modules and data infrastructure platforms, which allow for efficient deployment and scaling. In comparison, other segments such as intelligent driving safety involve a higher proportion of hardware-related costs, including monitoring and sensing

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equipment. The maturity of our software and modular architecture, developed over more than a decade, supports margin enhancement through economies of scale and reuse of core components.

Given the reasons above, our Directors consider the gross profit margin in the intelligent civil aviation segment is generally higher due to the segment's software-based cost structure, concentration in a regulated market with high compliance requirements, and established market presence across major airports.

Other income and gains

Our other income and gains increased by 20.0% from RMB9.9 million in 2023 to RMB11.9 million in 2024, primarily due to the increase in value-added tax reductions and refunds, mainly as a result of revenue growth.

Selling and distribution expenses

Our selling and distribution expenses increased by 3.4% from RMB40.0 million in 2023 to RMB41.3 million in 2024. This was primarily driven by our business growth, which led to higher sales commissions and year-end bonuses, and an increase in our business activities, resulting in an increase in business development expenses for sales personnel.

Administrative expenses

Our administrative expenses remained relatively stable at RMB42.7 million and RMB43.8 million in 2023 and 2024, respectively.

Research and development costs

Our research and development costs increased by 13.9% from RMB46.6 million in 2023 to RMB53.1 million in 2024, primarily due to the increase in the outsourced development expenses to support our in-house R&D, including data annotation services. All outsourced R&D projects serve as supplement to our internal R&D efforts, while the development and iteration of core technologies and products continue to be led by in-house R&D personnel.

Impairment losses on financial assets and contract assets, net

Our impairment losses on financial assets and contract assets increased by 92.5% from RMB9.8 million in 2023 to RMB18.9 million in 2024, primarily due to the increase in our revenue and trade receivables. As our revenue is subject to seasonality with a large portion of our revenue being recognised in the fourth quarter, this resulted in accumulation of considerable trade receivables at year-end, which in turn led to higher impairment provisions.

Other expenses

Our other expenses increased by 118.0% from RMB0.8 million in 2023 to RMB1.7 million in 2024, primarily due to the bank charges related to a letter of credit received from Customer A.

Finance costs

Our finance costs increased by 39.7% from RMB1.4 million in 2023 to RMB1.9 million in 2024, primarily due to the increased interest on bank loans, overdrafts and other loans, and interest on lease liabilities.

Income tax expense

We did not record any income tax in both 2023 and 2024.

Profit/(loss) and total comprehensive income/(loss) for the year

As a result of the foregoing, we record a profit of RMB8.3 million in 2024 compared to a loss of RMB32.6 million in 2023.

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DISCUSSION OF CERTAIN KEY ITEMS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as at the dates indicated.

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	9,427	6,446	4,129
Right-of-use assets	6,501	2,422	11,824
Intangible assets	2,560	2,268	2,177
Contract assets	56	998	4,545
Prepayments, receivables and other assets	9,244	935	1,489
Total non-current assets	<u>27,788</u>	<u>13,069</u>	<u>24,164</u>
Current assets			
Inventories	30,180	23,889	19,308
Trade and bills receivables	174,513	307,198	586,599
Contract assets	1,242	3,177	4,489
Prepayments, receivables and other assets	11,621	15,817	8,025
Financial assets at fair value through profit or loss	812	973	1,128
Cash and cash equivalents	10,661	54,678	38,136
Total current assets	<u>229,029</u>	<u>405,732</u>	<u>657,685</u>
Current liabilities			
Trade payables	64,252	166,117	319,139
Other payables and accruals	24,747	43,242	82,500
Lease liabilities	7,410	3,420	6,086
Interest-bearing bank and other borrowings	36,173	76,222	151,250
Contract liabilities	6,771	3,743	2,237
Deferred Income	—	—	2,950
Total current liabilities	<u>139,353</u>	<u>292,744</u>	<u>564,162</u>
Net current assets	<u>89,676</u>	<u>112,988</u>	<u>93,523</u>
Total assets less current liabilities	<u>117,464</u>	<u>126,057</u>	<u>117,687</u>
Non-current liabilities			
Interest-bearing bank and other borrowings	812	610	—
Lease liabilities	1,155	1,042	6,926
Provision	1,899	2,519	3,202
Total non-current liabilities	<u>3,866</u>	<u>4,171</u>	<u>10,128</u>
Net assets	<u>113,598</u>	<u>121,886</u>	<u>107,559</u>

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	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity			
Equity attributable to owners of the parent			
Paid-in capital	54,660	54,660	—
Share capital	—	—	55,441
Reserves	<u>64,322</u>	<u>74,036</u>	<u>59,854</u>
	118,982	128,696	115,295
Non-controlling interests	<u>(5,384)</u>	<u>(6,810)</u>	<u>(7,736)</u>
Total equity	<u><u>113,598</u></u>	<u><u>121,886</u></u>	<u><u>107,559</u></u>

For details on the accounting treatment of redemption rights and liquidation preference rights of pre-IPO investments, see “— Share Capital and Total Equity” below and note 28 to the Accountants’ Report set out in Appendix I to this prospectus.

Property, plant and equipment

Our property, plant and equipment primarily consist of plant and machinery, furniture, fixtures and office equipment, motor vehicles and others, and leasehold improvements. The following table sets forth the carrying amount of our property, plant and equipment as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Plant and machinery	819	731	286
Furniture, fixtures and office equipment	5,757	4,858	3,176
Motor vehicles and others	32	2	459
Leasehold improvements	<u>2,819</u>	<u>855</u>	<u>208</u>
Total	<u><u>9,427</u></u>	<u><u>6,446</u></u>	<u><u>4,129</u></u>

Our property, plant and equipment decreased from RMB9.4 million as at 31 December 2023 to RMB6.4 million as at 31 December 2024, primarily due to depreciation of our property, plant and equipment, disposal of furniture, fixtures and office equipment, and decrease in leasehold improvements due to the depreciation of renovations. Our property, plant and equipment further decreased to RMB4.1 million as at 31 December 2025, primarily due to depreciation of RMB3.1 million and the disposal of certain plant and machinery and office equipment of RMB0.6 million during the year, partially offset by the addition of office equipment, motor vehicles and leasehold improvements of RMB1.4 million.

Right of use assets

Our right of use assets primarily consist of our leases for buildings used in our operations. Our right of use assets decreased from RMB6.5 million as at 31 December 2023 to RMB2.4 million as at 31 December 2024, primarily due to depreciation of the existing leases, partly offset by the addition of a new office lease in Beijing.

Our right of use assets then increased to RMB11.8 million as at 31 December 2025, primarily due to lease renewals for our offices in Shenzhen and Beijing.

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Intangible assets

Our intangible assets primarily consist of patent rights and software. Our intangible assets decreased from RMB2.6 million as at 31 December 2023 to RMB2.3 million as at 31 December 2024, primarily due to the amortisation of software in 2024, partially offset by the software procurement according to our business needs. With no major changes to relevant internal policy or strategy, our intangible assets further decreased to RMB2.2 million as at 31 December 2025.

Prepayments, receivables and other assets

Our prepayments, receivables and other assets primarily consist of (1) prepayments; (2) deposits and other receivables; and (3) value-added tax recoverable. The following table sets forth the details of our prepayments, deposits and receivables as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Current:			
Prepayments	4,596	2,190	3,393
Deposits and other receivables	5,276	5,884	4,929
Lease receivables	543	129	—
Right-of-return assets	213	1,010	1,640
Value-added tax recoverable	4,606	2,324	249
Long-term account receivables within one-year	—	7,970	—
Deferred listing expenses	—	128	2,081
Provision for impairment	(3,613)	(3,818)	(4,267)
Total	<u>11,621</u>	<u>15,817</u>	<u>8,025</u>
Non-current:			
Deposits and other receivables	1,232	935	1,489
Long-term lease receivables	106	—	—
Long-term account receivables	7,906	—	—
Total	<u>9,244</u>	<u>935</u>	<u>1,489</u>

Our current prepayments, receivables and other assets increased from RMB11.6 million as at 31 December 2023 to RMB15.8 million as at 31 December 2024 and decreased to RMB8.0 million as at 31 December 2025.

The increase in the ending balance in 2024 was primarily attributable to the reclassification of certain long-term accounts receivable to the current portion, as these receivables were expected to be realized within one year. Meanwhile, value-added tax (“VAT”) recoverable decreased, as the balance as at 31 December 2023 had been elevated due to excess inventory stockpiling in prior years. Since 2023, the Group has ceased its previous anticipatory inventory stocking policy and no longer accumulates large volumes of inventory in advance. As a result, the balance of VAT recoverable ceased to increase. Subsequently, as the inventories purchased in prior years were sold, the corresponding input VAT was offset against output VAT, leading to a gradual reduction in VAT recoverable.

As at 31 December 2025, the ending balance of current assets decreased mainly due to the settlement of accounts receivable previously classified as current and a further decline in VAT recoverable. The decrease was partly offset by an increase in deferred listing expenses recognized during the year. Prepayments, deposits, and other receivables recorded a modest reduction, consistent with the Group’s continued efforts to optimize working capital management.

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Our non-current portion of prepayments, receivables and other assets decreased from RMB9.2 million as at 31 December 2023 to RMB0.9 million as at 31 December 2024 and increased to RMB1.5 million as at 31 December 2025. The 2024 decrease was primarily due to the reclassification of the short-term portion of long-term receivables (with a significant financing component) to current assets, reflecting the expected collection within one year; the 2025 increase was mainly due to property deposits placed during the year.

As at the Latest Practicable Date, RMB3.8 million or approximately 40.0% of our prepayments, receivables and other assets as at 31 December 2025 had been utilised.

Inventories

We had inventories of RMB30.2 million, RMB23.9 million and RMB19.3 million as at 31 December 2023, 2024 and 2025, respectively. The following table sets forth details of our inventories as at the dates indicated.

	2023	As at 31 December	
		2024	2025
		<i>(RMB in thousands)</i>	
Raw materials	8,929	7,106	3,176
Finished goods	13,851	9,443	6,399
Goods in transit	4,820	2,057	1,783
Consigned processing materials	1,147	3,061	1,244
Contract cost	1,433	2,222	6,706
Total	30,180	23,889	19,308

Our inventories decreased from RMB30.2 million as at 31 December 2023 to RMB23.9 million as at 31 December 2024, primarily due to a decrease in raw materials, finished goods and goods in transit under the “produce to order” model, partially offset by an increase in consigned processing materials due to growth in business. Our inventories then decreased to RMB19.3 million as at 31 December 2025, primarily due to the reduction in raw materials and finished goods, reflecting our improved inventory management efficiency and reduced stockpiling.

The following table sets forth an ageing analysis of our inventories as at the dates indicated:

	2023	As at 31 December	
		2024	2025
		<i>(RMB in thousands)</i>	
Within 1 year	23,132	17,613	15,309
1 to 2 years	6,584	7,680	2,477
2–3 years	15,229	7,137	4,156
3 years or above	1,947	4,970	8,312
Less: provision for obsolete inventories	(16,712)	(13,511)	(10,946)
Total	30,180	23,889	19,308

During the Track Record Period, inventories aged within one year represented approximately 49.3%, 40.2% and 50.6% of our total gross inventories as at 31 December 2023, 2024 and 2025, respectively. The proportion decreased from 2023 to 2024, primarily attributable to the slower turnover of certain finished goods and raw materials, coupled with the reduction in new procurement during the latter part of the Track Record Period. The proportion recovered in 2025, primarily due to the disposal and write-down of inventories in the one-to-three year ageing categories.

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The proportion of inventories aged over two years decreased from approximately 36.6% as at 31 December 2023 to approximately 32.4% and 41.2% as at 31 December 2024 and 2025, respectively, primarily reflecting the disposal and write-down of older finished goods and raw materials. However, this proportion increased to approximately 41.2% as at 31 December 2025, primarily due to the natural ageing of existing inventory into the three-years-or-above category. We closely monitor inventory ageing and make provisions for impairment where necessary based on estimated net realisable value.

Total impairment provisions amounted to approximately RMB16.7 million, RMB13.5 million and RMB10.9 million as at 31 December 2023, 2024 and 2025, respectively, resulting in net inventory carrying values of approximately RMB30.2 million, RMB23.9 million and RMB19.3 million as at the respective date. These provisions represented provision coverage ratios of approximately 35.6%, 36.1% and 36.2% of our gross inventories as at 31 December 2023, 2024 and 2025, respectively, remaining broadly stable across the Track Record Period.

Inventory Write-Downs and Inventory Management

Our Directors assess the Group's inventories for impairment to net realisable value at each reporting date. During the Track Record Period, the Group recorded a write-down of inventories to net realisable value of RMB2.1 million in 2023, a reversal of RMB1.0 million in 2024, and a write-down of RMB2.9 million in 2025, which were recognised in cost of sales. The write-down in 2023 primarily reflected the retirement of certain components as the Group updated product iterations and the impact of earlier anticipatory procurement. The reversal in 2024 reflected the sale of certain items previously written down at prices exceeding their then-estimated net realisable value. The write-down in 2025 was mainly due to portfolio refinement and the disposal of slow-moving materials.

As at the Latest Practicable Date, RMB3.4 million or approximately 11.2% of our inventories as at 31 December 2025 had been utilised.

The following table sets forth our inventory turnover days for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	174	64	45

- (1) The inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of inventories in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

The reduction in inventory turnover days from 174 days in 2023 to 64 days in 2024 and 45 days in 2025 reflects changes in our inventory management strategy aligned with operational developments during the Track Record Period.

In 2023, we adopted a “produce to order” model to improve inventory efficiency. Supported by enhancements in material planning, production scheduling, and delivery processes, this model reduced the need to maintain large inventory balances. As a result, inventory decreased to RMB30.2 million as at 31 December 2023, reflecting the adoption of our produce to order model. During the same period, revenue increased to RMB242.4 million. The higher cost of sales associated with this growth contributed to shorter inventory turnover days.

In 2024, the “produce to order” model became further integrated into our operations. Inventory declined to RMB23.9 million as at 31 December 2024, while revenue increased to RMB395.2 million. This was reflected in reductions in raw materials, from RMB8.9 million in 2023 to RMB7.1 million in 2024, and in finished goods, from RMB13.9 million to RMB9.4 million. These changes are consistent with procurement and delivery cycles that are concentrated in the second half of the year due to seasonality in customer demand.

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In 2025, inventory turnover days decreased to 45, compared with 64 in 2024. The decrease was mainly attributable to a decrease in average inventory levels relative to cost of sales, reflecting improved efficiency in inventory management and the continuous adoption of the “produce to order” model. As a result, our total inventories decreased from RMB23.9 million as at 31 December 2024 to RMB19.3 million as at 31 December 2025.

Details of the “Produce-to-Order” model and transition in 2023

The “produce-to-order” model refers to an operational approach where production and procurement activities are initiated only upon receipt of confirmed customer orders. This model reduces inventory holding risks and aligns production with actual demand.

We began transitioning to this model in 2023 as part of broader operational improvements. This shift was supported by a more stable market environment following the easing of COVID-19-related restrictions in late 2022, as well as broader improvements in our internal operational processes. The transition was executed through a series of structured measures, and we implemented internal process enhancements, including employee training and upgrades to our enterprise resource planning systems to support order-driven workflows.

As a result of such transition, our total inventory decreased from RMB30.2 million as at 31 December 2023, and further to RMB23.9 million and RMB19.3 million as at 31 December 2024 and 2025, respectively. Over the same period, our inventory turnover days improved from 174 days in FY2023 to 64 days in FY2024 and further to 45 days in FY2025, while revenue increased from RMB242.4 million in FY2023 to RMB395.2 million in FY2024 and further to RMB443.0 million in FY2025. The Directors are of the view that delivery readiness was not compromised by such transition, on the basis that (i) revenue continued to grow during the Track Record Period; (ii) there were no significant delays in delivery by our contract manufacturers, and no significant product returns or recalls, during the Track Record Period and up to the Latest Practicable Date; (iii) the number of newly awarded projects remained robust throughout the Track Record Period; and (iv) our gross profit margin remained relatively stable at 40.8%, 39.8% and 37.7% in FY2023, FY2024 and FY2025, respectively.

In addition, our production process, from order placement through custom development, production and on-site deployment, typically takes approximately three to 15 weeks. The Directors further confirm that there was no significant change in production lead time during the Track Record Period, and that the improvement in inventory efficiency principally reflected the transition in procurement strategy and changes in the mix of outsourced production arrangements.

Trade and bills receivables

We had trade and bills receivables of RMB174.5 million, RMB307.2 million and RMB586.6 million as at 31 December 2023, 2024 and 2025, respectively. The following table sets forth the details of our trade and bills receivables as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	208,024	359,460	707,685
Less: Impairment of trade receivables	(34,705)	(52,262)	(121,086)
Bills receivables	1,207	—	—
Less: Impairment of bills receivables	(13)	—	—
Total	<u>174,513</u>	<u>307,198</u>	<u>586,599</u>

Our trade and bills receivables increased from RMB174.5 million as at 31 December 2023 to RMB307.2 million as at 31 December 2024, primarily due to the rapid growth in revenue. Our trade and bills receivables further increased to RMB586.6 million as at 31 December 2025, primarily due

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to an increase in sales revenue in the same period. The increase was mainly attributable to (i) the concentration of revenue recognition in the fourth quarter of 2025, resulting in a higher closing balance of trade receivables at year-end; (ii) the accumulation of trade receivable balances generated during the period of rapid revenue growth in 2024, which remained outstanding as at 31 December 2025 due to longer collection cycles associated with the intelligent civil aviation segment; and (iii) the continued growth in our revenue from RMB395.2 million in 2024 to RMB443.0 million in 2025.

As at 31 December 2023, 2024 and 2025, gross trade receivables amounted to RMB208.0 million, RMB359.5 million and RMB707.7 million, respectively, reflecting the Group's rapid revenue growth (CAGR of 35.2% from 2023 to 2025). Corresponding impairment provisions were RMB34.7 million (16.7%), RMB52.3 million (14.5%) and RMB121.1 million (17.1%). The net trade receivables after impairment were RMB173.3 million, RMB307.2 million and RMB586.6 million for the same dates.

Our trade receivables are primarily from enterprise clients in the intelligent civil aviation, intelligent commerce, and intelligent driving safety segments, where payments are instalment-based and typically settled within one year per contractual terms. Impairment provisions are recognized as detailed in Note 2.3 to the Historical Financial Information in Appendix I. Using the simplified approach under IFRS 9, the Group measures lifetime expected credit losses using a provision matrix (the details of which are set out in Note 17 to the Historical Financial Information in Appendix I), applied consistently to both trade receivables and contract assets (which include warranty retentions during the warranty period), on the basis that (a) trade receivables and contract assets are due from the same counterparties under the same contractual arrangements; (b) the risk of default, recoverability pattern and credit risk profile of the warranty retention portion are closely correlated with those of the corresponding non-warranty trade receivables due from the same customer; and (c) the Directors consider that the credit risk characteristics of the two classes of assets are substantially similar. The same days-past-due groupings, customer-segment groupings and forward-looking adjustments described in Note 17 apply to both classes of assets, and accordingly no separate or different expected credit loss rate has been applied to warranty retentions.

Our trading terms with customers are mainly on credit but do not have a fixed credit period in writing. Trade receivables are non-interest-bearing.

Payment terms provide for instalment payments as specified in individual contracts, which helps mitigate credit risk and align cash inflows with project progress. Such instalments generally include payments upon contract signing (often 10%–35% as an advance), delivery or installation (typically 30%–70%), product acceptance (up to 95% in some cases), and expiry of the warranty period (remaining 3%–5% as a quality deposit).

For intelligent civil aviation products, system integrators typically make payments in instalments, with approximately 50% of the total amount paid upon product delivery, around 45% upon product acceptance, and the remaining 5% retained as a warranty deposit, which is settled after a warranty period of two to three years.

For intelligent commerce and intelligent driving safety products, we generally adopt a instalment-based payment schedule, with a 30% advance payment due upon contract signing, followed by approximately 70% payable within three months after delivery and installation. A final retention payment of 5% to 10% may be withheld, to be settled upon final acceptance or at the end of the warranty period.

Payments are non-interest-bearing and expected to be settled within one year from invoicing, in line with contractual terms which normally do not contain a fixed credit period. Early settlement discounts (1%–2% for payments within 30 days) may be offered selectively to encourage timely settlement, particularly for key customers. Our Directors consider this approach is standard for project-based models in intelligent civil aviation and intelligent commerce, while intelligent driving safety operates on an order basis with advance or upon-delivery payments.

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The following table sets forth a breakdown of our trade receivables by nature of projects:

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Public sector ⁽¹⁾	127,170	253,464	453,039
Private sector ⁽²⁾	80,853	105,996	254,646
Total	208,024	359,460	707,685

Notes:

- (1) Projects from public sectors refer to projects undertaken for customers classified as state-owned enterprises.
(2) Projects from private sectors refer to projects undertaken for customers classified as privately owned enterprises.

The following table sets forth our trade receivables turnover days for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Trade receivables turnover days ⁽¹⁾	200	262	440

- (1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of our trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

In 2023, turnover days decreased by 121 days as we adjusted our collection approach, including more regular follow-ups with customers, which improved the speed of receivables collection. In 2024, trade receivables turnover days increased to 262 days, a change of 62 days compared to 2023. This was mainly due to (i) the average balance of receivables in 2024 grew faster than the revenue growth rate, primarily driven by the civil aviation segment, which accounted for 53%, and 58% of total revenue in 2023, and 2024, respectively; and (ii) in December 2024, one of our top five customers contributed over RMB125 million in revenue, which remained outstanding as of year-end. This led to a higher closing balance of trade receivables.

Reasons for Significant Increase in Trade Receivables Turnover Days in 2024 and 2025

The increase in trade receivables turnover days in 2024 was primarily attributable to concentration of revenue recognition, particular from the intelligent civil aviation business, in the fourth quarter of that year. See “Business — Seasonality”. For intelligent civil aviation, we recorded rapid revenue growth in 2024, increasing from RMB128.8 million in 2023 to RMB288.8 million in 2024. As acceptance and revenue recognition were concentrated toward year end, a significant portion of the related receivables remained outstanding as at 31 December 2024, contributing to the increase in trade receivables turnover days in 2024.

The further increase in trade receivables turnover days in 2025 was primarily attributable to the rollover of outstanding trade receivables from 2024, coupled with additional trade receivables arising from revenue recognised in 2025. Certain trade receivables arising in 2024 from system integrators remained outstanding as at 31 December 2025. Together with additional receivables arising from RMB172.4 million revenue recognised from this segment in 2025, this resulted in a higher trade receivables balance as at 31 December 2025. To the best knowledge of our Directors, the outstanding trade receivables were primarily due to our direct customers being system integrators whose payment to us depends on their collection from the airports, being the end users. As such collection may involve lengthy acceptance and settlement procedures between the integrators and the airports, payment to us became correspondingly delayed.

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Similarly, in the intelligent driving safety segment, we generated revenue of RMB45.5 million in 2024 from large-scale deployments in Henan Province under government-driven installation initiatives relating to the installation of onboard active safety monitoring equipment for long-distance passenger vehicles, tourist charter buses, vehicles carrying hazardous goods and special-purpose vehicles. As payment to us is subject to our customers' multi-layered budgetary approval and settlement procedures, certain trade receivables remained outstanding and were carried forward to 2025. In 2025, in addition to the continued deployment in Henan Province, we participated in large-scale deployments in Hebei Province, with aggregate revenue of RMB110.4 million recognised from these deployments during the year, further contributing to higher trade receivables balances as at 31 December 2025.

Adjustment of Payment Terms and Trade Receivables Management

Our Group continues to strengthen its trade receivables management framework with a focus on improving cash flow and enhancing credit risk control. In line with our established practices, we regularly assess and adjust customer payment terms based on credit evaluations and historical payment performance.

Our Group regularly reviews and, where appropriate, adjusts payment terms for new and existing customers based on historical payment records and credit evaluation results. For large-scale civil aviation projects, we continue to apply instalment-based collection structures with upfront deposits, usually between 30% and 50%, and progressive payments according to contract performance. Where commercially appropriate, we seek to negotiate shorter credit periods or early settlement discounts to improve cash flow, while maintaining flexibility for key strategic accounts. These measures are designed to complement our existing receivables management framework and to further enhance collection efficiency and liquidity management. Our Directors believe that, together with our established monitoring and review procedures, these plans will continue to support the effective control of trade receivable risks and sustain our Group's cash conversion cycle improvement achieved in recent years.

Seasonality in Revenue Recognition and Its Impact on Collections

Our Directors believe that the longer receivables ageing in the intelligent civil aviation segment is attributable to the seasonality in revenue recognition. A substantial portion of revenue from this segment is recognised in the last quarter of the year upon acceptance of our products. See "Business — Seasonality". Trade receivables are recorded upon revenue recognition; however, customers are generally unlikely to complete their internal payment approval procedures before year end, resulting in higher trade receivables balances at year end.

As at 31 December 2025, gross trade receivables attributable to the intelligent civil aviation segment amounted to RMB382.6 million, representing approximately 54.1% of our total gross trade receivables as at the same date. Our customers in this segment comprise state-owned airport and large commercial entities which are reputable and reliable counterparties with established operating histories and sound credit profiles. During the Track Record Period and up to the Latest Practicable Date, our Group has maintained regular communication with its civil aviation customers regarding payment schedules, and there has been no indication that any of such customers is unable or unwilling to fulfil its payment obligations under the relevant contracts. Our Directors confirm that, as at the Latest Practicable Date, our Group has not experienced, and does not anticipate, any material difficulties in collecting outstanding receivables from this segment.

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The following table sets forth an ageing analysis of our trade receivables based on the revenue recognition date and net of loss allowance as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	163,647	254,295	408,870
1 to 2 years	8,532	48,339	156,454
2 to 3 years	877	4,407	20,123
3 to 4 years	263	157	1,152
4 to 5 years	—	—	—
Above 5 years	—	—	—
Total	<u>173,319</u>	<u>307,198</u>	<u>586,599</u>

The impairment provisions increased in absolute terms from RMB34.7 million as at 31 December 2023 to RMB52.3 million as at 31 December 2024 (a 50.6% increase). These fluctuations were primarily driven by the substantial expansion in gross trade receivables, stemming from higher sales volumes across all business lines amid the Group's commercialization efforts. For instance, revenue from intelligent civil aviation grew from RMB128.8 million in 2023 to RMB228.8 million in 2024, contributing to larger receivable balances.

The increased impairment provisions were partially offset by improvements in the receivables' ageing profile and lower applied expected credit loss rate, reflecting enhanced collection efficiency and a shift toward lower-risk customers (e.g., state-owned airports and large commercial entities with stronger payment histories). As shown in the provision matrix in Note 17 to the Accountant's Report in Appendix I to this prospectus.

Assessment of Recoverability Issues for Trade Receivables and Adequacy of Provisions

Based on a review of our financial information, including historical financial statements prepared under IFRSs and the disclosures shown in the Accountants' Report set out in Appendix I, our Directors have not identified any significant recoverability issues with respect to trade receivables. Our trade receivables arise from our main business activities in the intelligent civil aviation, intelligent commerce and intelligent driving safety segments. Our customers include airports, real estate operators, and logistics firms. Our customers have established payment histories, supported by our consistent revenue growth (CAGR of 35.2% from 2023 to 2025) and the absence of material defaults or write-offs during the Track Record Period.

The overall expected credit loss rate declined from 17% as at 31 December 2023 to 15% as at 31 December 2024 and before increasing to 17% as at 31 December 2025. These movements attributable to several interrelated factors:

Decline from 2023 to 2024

- *Improved Ageing Profile:* As the Group's business matured, project delivery and acceptance cycles shortened, shifting more receivables into lower-risk ageing categories. For example, the proportion of receivables within one year was 94.4% in 2023 and 82.8% in 2024, where expected credit loss rates are inherently lower (decreasing to 11% in 2023 and 9% in 2024). For more details, please refer to Note 17 to the Accountants' Report in Appendix I to this prospectus.
- *Lower Applied Expected Credit Loss Rate per Category:* Historical data showed reduced default rates over time, informed by better customer payment patterns and forward-looking adjustments. Rates for the 1–2 years category fell from 23% in 2023 to 20% in 2024, reflecting the Group's overall strengthened relationships with clients in the intelligent civil aviation segment.

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- *Business Mix and Macroeconomic Factors:* Expansion into stable sectors like civil aviation (57.9% of 2024 revenue) involved creditworthy state-owned entities, reducing overall risk compared to 2023's higher exposure to commerce clients with variable payment timelines. Forward-looking inputs, such as stable economic conditions in China's AI industry and low inflation, further lowered estimated losses.
- *Enhanced Credit Management:* Proactive measures, including regular monitoring and follow-up to accelerate collections.

Increase from 2024 to 2025

- *Shift in Ageing Profile:* The proportion of trade receivables aged over one year increased from 17.2% as at 31 December 2024 to 30.3% as at 31 December 2025, reflecting the ageing of substantial receivable balances generated during the period of rapid revenue growth in 2024. Receivables in older ageing categories attract higher expected credit loss rates under our provision matrix.
- *Higher Applied Expected Credit Loss Rates:* The applied expected credit loss rate for receivables within one year increased from 9% in 2024 to 11% in 2025, and the rate for the 1–2 years category increased from 20% to 21% over the same period, reflecting our assessment of prevailing market conditions and forward-looking macroeconomic factors.
- *Change in Revenue Mix:* Revenue contribution from the intelligent civil aviation segment, which historically involved creditworthy state-owned entities, decreased from 57.9% of total revenue in 2024 to 38.9% in 2025, with a corresponding increase in the proportion of revenue from the intelligent commerce and intelligent driving safety segments.

In assessing the recoverability of our trade receivables, our Directors reviewed the trade receivables on a portfolio basis and, where appropriate, assessed significant and long-outstanding balances individually. In making such assessment, the Directors took into account, among other factors, the ageing profile of the trade receivables, the background and creditworthiness of the relevant customers, historical payment patterns, subsequent settlement status, communications with customers, expected payment schedules and the expected credit loss allowances made.

The Directors are of the view that the longer settlement period of certain trade receivable balances was mainly attributable to the contractual and operational characteristics of the Group's project-based business model, rather than any material deterioration in the credit quality of its customers. In particular, due to the seasonality of revenue recognition, a larger portion of revenue is typically recognized toward year end, and our Directors believe that our public-sector customers are subject to longer internal payment approval and settlement procedures and, in certain cases, third-party audit verification. In addition, our Directors believe that settlement may be affected by the project-based payment chain dynamics applicable to certain of the Group's customers, where the timing of payment to the Group may be influenced by the relevant customer (whether a system integrator or a project main contractor) receiving the corresponding downstream project funds (or where applicable, end-users payments) attributable to the underlying projects.

The Group has maintained ongoing communication with its customers regarding settlement arrangements and has implemented receivables management procedures to monitor and follow up on outstanding balances.

Our Directors consider that provisions for expected credit losses have been made in accordance with IFRS 9, using a method that considers historical loss rates, current economic conditions, and forecasts. The provisions are considered sufficient and reflect our assessment of credit risk, customer payment patterns, and market trends in China's enterprise AI sector. The subsequent settlement rates are primarily influenced by revenue seasonality, with a large portion of revenue recognised in the fourth quarter of each year, in line with customer procurement schedules. Our Directors note that settlements after 31 December 2025 are within the expected range and do not exceed anticipated delays. As at the Latest Practicable Date, RMB165.6 million or approximately 23.4% of our gross trade receivables as at 31 December 2025 had been settled. In any event, our Directors consider that no additional provisions are required and that the existing allowances are sufficient to cover possible

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impairments, based on communications with customers regarding payment schedules and our best estimation, taking into account past payment histories and the creditworthiness of individual customers.

Our Measures for Monitoring and Collection of Trade Receivables and Their Effectiveness

We have implemented a framework for monitoring and collecting trade receivables to manage credit risk and ensure cash flow. Our approach includes a credit assessment and approval process for new and existing customers. We conduct evaluations of customer credit profiles, reviewing financial stability, payment history, and reputation. Our internal scoring models use data from external sources and past transactions.

We use a digital dashboard, integrated with our accounting system, to track receivables by ageing buckets (such as 0–30 days, 31–60 days, and over 90 days). Weekly reports are prepared for management review, and overdue accounts are flagged for follow-up.

Our accounts receivable team, including finance and sales staff, handles collection efforts. This includes reminder notices 15 days after the revenue recognition date, phone calls at 30 days, and on-site visits or legal notices if necessary. Escalation to senior management occurs for balances over 120 days.

Depending on the contract, we may offer payments by instalments and early settlement discounts (such as 1–2% for payments within 30 days) to encourage timely payment. We also work with key customers in civil aviation and commerce to negotiate payment terms and schedules on repayment of outstanding bills.

Our Directors consider these measures effective, as reflected in our improved trade receivables turnover days, which decreased from 1,047 days for the six months ended 30 June 2025 to 440 days in 2025. This is further supported by the absence of material impairments and the alignment of collections with revenue.

Directors' Views on the Impact of Growing Trade Receivables Balance and Working Capital Sufficiency

Our Directors are of the view that the increase in trade receivables has not had, and is not expected to have, a material adverse effect on our operations or financial results. The growth in receivables (from RMB174.5 million in 2023 to RMB586.6 million in 2025, representing CAGR of 83.3%), has paralleled the Group's revenue growth (CAGR of 35.2%), and reflected business expansion. Revenue seasonality, with higher revenue in the fourth quarter, leads to increased year-end receivables, but settlements in the following quarters are in line with past trends and have not disrupted cash flows. Our gross profit margins remained relatively stable at 40.8% in 2023, 39.8% in 2024 and 37.7% in 2025, supported by AI products, which helps manage any liquidity pressure from receivables. Our customer base consists of established entities in regulated sectors, which reduces default risk, as supported by the Frost & Sullivan Report.

Regarding working capital, our Directors confirm that we have adequate resources to support ongoing operations, even considering possible recoverability issues with receivables and the size of trade payables. As at 31 December 2025, our current assets exceeded current liabilities. Projections for 2025–2029, based on an expected market CAGR of 32.1% per the Frost & Sullivan Report, indicate continued positive operating cash flows, further supported by planned product expansion in intelligent robotics. While actual collections of trade receivables may be affected by objective and uncontrollable industry factors, such as the acceptance progress between our customers (i.e. system integrators) and their end clients (i.e. airport groups), which may impact cash flow timing, our Directors remain confident in our financial position. In the event that collections fall short of expectations, we are prepared to manage our cash flow through flexible measures, including adjusting supplier payment terms, drawing on revolving credit facilities, and adjusting the timing of new project rollouts as needed. For details regarding working capital management, please refer to “— Measures on working capital management” in this section.

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Reasons for Significant Trade Receivables Aged Over One Year

As at 31 December 2023, 2024, and 2025, our trade receivables aged over one year, net of allowance, represented 5.6%, 17.2%, and 30.3%, respectively, of our total net trade receivables. This receivables ageing profile primarily related to our revenue from the intelligent civil aviation and intelligent commerce segments, which contributed 86.6%, 82.4%, and 73.8% of our total revenue during the respective years. The increase in longer-aged balances was mainly attributable to the public-sector customers in our intelligent civil aviation segment, or their collection from the downstream airports of state-owned backgrounds, whose settlement generally takes longer due to post-acceptance payment approval procedures.

The ratio increased to 17.2% in 2024 from 5.6% in 2023 in the context of revenue growth to RMB395.2 million, driven primarily by the intelligent civil aviation segment (accounting for 57.9% of revenue in 2024) with the majority of its clients coming from the public sector.

By 2025, the ratio further increased to 30.3%, primarily due to the ageing of substantial receivable balances generated during 2024's revenue growth, particularly from the intelligent civil aviation segment, which typically involves longer collection cycles.

The table below sets forth our gross trade receivables aged over one year by business segment and by customer sector (public or private) as at 31 December 2023 (RMB in thousands):

	1–2 years	2–3 years	3–4 years	4–5 years	Above 5 years	Total over 1 year
Intelligent commerce	10,130	9,525	934	8	139	20,735
— Public sector	807	1,503	70	—	—	2,379
— Private sector	9,323	8,022	864	8	139	18,356
Intelligent civil aviation	861	253	424	154	140	1,832
— Public sector	710	49	424	—	—	1,183
— Private sector	150	204	—	154	140	649
Intelligent driving safety	87	739	94	253	257	1,429
— Public sector	—	8	—	—	—	8
— Private sector	87	731	94	253	257	1,421
Other	—	—	—	—	—	—
Total	11,077	10,517	1,452	415	536	23,997

In 2023, our gross trade receivables aged over one year totalled RMB24.0 million, with substantial balances in both the 1–2 years (RMB11.1 million) and 2–3 years (RMB10.5 million) categories. By business segment, the intelligent commerce segment contributed RMB20.7 million, representing 86.3% of the total, while the intelligent civil aviation and intelligent driving safety segments accounted for RMB1.8 million (7.6%) and RMB1.4 million (6.0%), respectively.

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The table below sets forth our gross trade receivables aged over one year by business segment and by customer sector (public or private) as at 31 December 2024 (RMB in thousands):

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Above 5 years	Total over 1 year
Intelligent commerce	24,087	7,641	7,885	443	139	40,195
— Public sector	3,121	245	1,075	—	—	4,441
— Private sector	20,966	7,397	6,809	443	139	35,754
Intelligent civil aviation	29,908	211	48	413	294	30,875
— Public sector	22,997	61	25	413	—	23,496
— Private sector	6,912	150	23	—	294	7,379
Intelligent driving safety	6,936	87	229	94	341	7,686
— Public sector	—	—	8	—	—	8
— Private sector	6,936	87	221	94	341	7,678
Other	100	—	—	—	—	100
Total	<u>61,031</u>	<u>7,939</u>	<u>8,162</u>	<u>950</u>	<u>774</u>	<u>78,856</u>

In 2024, our gross trade receivables aged over one year amounted to RMB78.9 million, with the majority concentrated in the 1–2 years category at RMB61.0 million. By business segment, the intelligent commerce segment contributed RMB40.2 million, representing 51.0% of the total, followed by the intelligent civil aviation segment at RMB30.9 million (39.2%), the intelligent driving safety segment at RMB7.7 million (9.7%), and other segments at RMB0.1 million (0.1%).

The table below sets forth our gross trade receivables aged over one year by business segment and by customer sector (public or private) as at 31 December 2025 (RMB in thousands):

	1–2 years	2–3 years	3–4 years	4–5 years	Above 5 years	Total over 1 year
Intelligent commerce	30,841	22,567	3,845	7,958	1,181	66,392
— Public sector	25,540	2,152	79	4	—	27,775
— Private sector	5,300	20,415	3,766	7,954	1,181	38,616
Intelligent civil aviation	146,406	7,299	500	25	48	154,278
— Public sector	146,044	418	116	25	48	146,651
— Private sector	363	6,881	384	—	—	7,627
Intelligent driving safety	22,229	3,766	81	28	489	26,593
— Public sector	20,047	—	—	8	—	20,055
— Private sector	2,182	3,766	81	20	489	6,538
Other	26	125	—	—	—	151
Total	<u>199,502</u>	<u>33,757</u>	<u>4,425</u>	<u>8,011</u>	<u>1,718</u>	<u>247,414</u>

In 2025, our gross trade receivables aged over one year amounted to RMB247.4 million, with the majority concentrated in the 1–2 years category at RMB199.5 million. By business segment, the intelligent commerce segment contributed RMB66.4 million, representing 26.8% of the total, followed by the intelligent civil aviation segment at RMB154.2 million (62.4%), the intelligent driving safety segment at RMB26.6 million (10.7%), and other segments at RMB0.2 million (0.1%).

Circumstances Leading to Over One Year Ageing

The ageing of our trade receivables over one year is primarily attributable to delays in settlement by certain customers, particularly public-sector customers and state-owned enterprises. Although there was no material time gap between the date of revenue recognition and the issuance

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date of the corresponding invoices during the Track Record Period, actual settlement is subject to the customer's internal payment approval and processing procedures, and in certain extent, their collection from their downstream customers.

In the intelligent civil aviation segment, trade receivables were attributable to our direct customers being system integrators, whose payment to us depends on their collection from the airports, most of which are ultimately operated by state-owned entities, as end users. The settlement process may involve multiple layers of internal approval and government procurement procedures and, in certain cases, third-party audit verification between the system integrators and the airports as the end users. As such collection may involve lengthy acceptance and settlement procedures between the integrators and the airports, payments to us were correspondingly delayed and, in certain cases, remained outstanding for more than one year. In the intelligent driving safety segment, we generated revenue of RMB45.5 million in 2024 from large-scale deployments in Henan Province, with the customer for such deployments being a state-owned enterprise, which continued in 2025. As these deployments were made pursuant to government-driven installation initiatives involving multiple layers of budgetary approval and settlement procedures, certain balances remained outstanding and aged beyond one year. In the intelligent commerce segment, in addition to the slowdown in the commercial real estate market, particularly in 2023 and 2024, certain real estate developer customers, particularly those with state-owned enterprise backgrounds, were subject to longer internal approval and settlement processes, resulting in some trade receivables remaining outstanding for more than one year.

Certain contracts provide for warranty retention amounts, typically representing 3.0% to 10.0% of the contract value, which are contractually withheld by customers until expiry of the warranty period of generally two to three years. During the warranty period, such amounts are recognised as contract assets as our right to consideration remains conditional. Upon expiry of the warranty period, the retention amounts are reclassified to trade receivables if not yet settled. As settlement of the warranty retention amounts remains subject to customers' internal approval and payment procedures, any delay in payment may result in the balances ageing beyond one year.

Notwithstanding the increase in longer-aged balances, our Directors are of the view that our receivables profile remained stable. As our customer base has shifted toward the public sector and large-scale, creditworthy entities such as state-owned airports, our overall credit risk has remained manageable, as reflected by expected credit loss provisions under IFRS 9 of 17% in 2023, 15% in 2024 and 17% in 2025, and the absence of material defaults.

Low Subsequent Settlement Rate

The low collection rate as at year-end 2025 is primarily attributable to the seasonal nature of our revenue, with 77.9% of total 2025 revenue recognized in the fourth quarter. While our instalment-based arrangements facilitate receipt of advance payments at the pre-delivery stages, post-delivery payments are generally due upon customer acceptance. As acceptance is concentrated toward year end, in particular for the intelligent civil aviation segment, trade receivables were correspondingly higher as at 31 December 2025. Settlement of such acceptance payments remains subject to customers' internal approval and payment procedures and, in certain cases, is affected by our customers' collection of funds from their downstream customers, which may further delay payment to us.

During the Track Record Period, we have not observed any material recoverability issues, and our provision of impairment remained adequate at 15.0% of gross receivables in 2024. The reduction in provision of impairment rates reflects improved credit management processes and a shift in our customer base toward higher-credit-quality clients.

To enhance our collection of trade receivables, we closely monitor outstanding balances and maintain ongoing communication with customers, including agreeing on instalment payment schedules where appropriate. See “— Measures on working capital management” in this section for further details.

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Contract assets

Our contract assets primarily represent the warranty deposits that have been retained by our customers. Our contract assets increased from RMB1.3 million as at 31 December 2023 to RMB4.2 million as at 31 December 2024, primarily due to our increase in revenue. Our contract assets further increased to RMB9.0 million as at 31 December 2025, primarily due to an increase in the number of projects that have been completed.

Financial assets at FVTPL

Our financial assets at FVTPL during the Track Record Period primarily represented wealth management products. Our financial assets at FVTPL remained relatively stable at RMB0.8 million and RMB1.0 million as at 31 December 2023 and 2024, respectively. Our financial assets at FVTPL increased to RMB1.1 million as at 31 December 2025, due to a net increase in principal amounts invested during the year.

Our financial assets at FVTPL are measured using level 2 of the fair value hierarchy, i.e., based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly. For details of the fair value measurement of our financial assets at FVTPL, please refer to Note 21 to the Accountants' Report in Appendix I to this prospectus.

According to our internal policies, we may purchase principal-guaranteed products to preserve our funds in a prudent and flexible manner, but we may not purchase illegal or irregular high-interest products. Our finance department will review our existing fund status and our budgets to determine the amount that may be deployed in purchasing relevant products. Our finance department will then work with the relevant banks to develop the terms of such products, which shall then be reported to our financial director that has experience in reviewing similar products and oversees our overall financial status, for approval. According to our Articles of Association, our Board shall also review and approve the relevant transaction(s) if the value of such transaction(s) exceed certain numerical benchmarks. The investment in such products after the Listing will be subject to compliance with Chapter 14 of the Listing Rules.

Trade payables

We had trade payables of RMB64.3 million, RMB166.1 million and RMB319.1 million as at 31 December 2023, 2024 and 2025, respectively. The increase in our trade payables during the Track Record Period was primarily due to the increase of our revenue.

Our trading terms with suppliers generally do not have a fixed credit period in writing. However, the amounts are non-interest-bearing and are normally settled within six months.

The following table sets forth our trade payables turnover days for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	122	176	324

- (1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of our trade payable in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

Our trade payables turnover days were 122, 176 and 324 days in 2023, 2024 and 2025, respectively. In 2024, the trade payables turnover days increased to 176 days from 122 days in 2023, as we successfully negotiated more favorable payment terms with our suppliers, allowing us to adopt extended credit terms. Our trade payables turnover days increased to 324 days in 2025, primarily due to a significant increase in the average balance of trade payables, which was driven by the timing of large project deliveries and the accumulation of payables related to ongoing and incomplete projects as at 31 December 2025. This resulted in a much higher closing balance of trade payables relative to the cost of sales for the period.

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The following table sets forth an ageing analysis of our trade payables based on the date of goods received from the suppliers as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	62,411	162,652	243,896
Over 1 years	1,841	3,465	75,243
Total	64,252	166,117	319,139

As at the Latest Practicable Date, RMB130.7 million or approximately 41.0% of our trade payables as at 31 December 2025 had been settled.

Other payables and accruals

Our other payables and accruals during the Track Record Period primarily consisted of payroll and welfare payable, other payables, VAT payables related to contract liabilities and other tax payable, which mainly represent output VAT payables. The following table sets forth the details of our other payables and accruals as at the dates indicated.

	As at 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Payroll and welfare payable	15,624	19,463	16,354
Other payables	4,766	4,940	11,401
Amounts due to the related parties	460	1,243	1,825
Accruals	184	98	—
VAT payables related to contract liabilities	1,147	489	291
Other tax payables	2,566	17,009	52,629
Total	24,747	43,242	82,500

Our other payables and accruals increased from RMB43.2 million as at 31 December 2024 to RMB82.5 million as at 31 December 2025. The increase was primarily driven by (i) a significant rise in other tax payables, which increased from RMB17.0 million as at 31 December 2024 to RMB52.7 million as at 31 December 2025, mainly due to higher output VAT resulting from continued revenue growth during the year and the absence of material input VAT credits from prior periods; (ii) an increase in other payables from RMB4.9 million to RMB11.4 million, primarily reflecting higher advance payments to suppliers and service providers related to ongoing and upcoming projects; and (iii) an increase in amounts due to related parties from RMB1.2 million to RMB1.8 million, mainly attributable to increased transactions with related entities.

The overall increase was partially offset by a decrease in payroll and welfare payables, which declined from RMB19.5 million to RMB16.4 million, primarily due to the timing of year-end bonus accruals, as well as a reduction in VAT payables associated with contract liabilities from RMB0.5 million to RMB0.3 million.

As at the Latest Practicable Date, RMB34.0 million or approximately 41.3% of our other payables and accruals as at 31 December 2025 had been settled.

The amounts due to the related party, namely Mr. Ma Jiankang, were non-trade in nature and primarily arose from loans advanced by him to Guangdong Mai Ge Er Intelligent Technologies Co., Ltd. (廣東麥格爾智能科技有限公司) (“**Mai Ge Er**”), a non-wholly owned subsidiary of the Company in which Mr. Ma is a minority shareholder. Such balances are unsecured and interest-free. In

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January 2026, following discussions with Mr. Ma Jiankang, Mai Ge Er entered into a repayment agreement pursuant to which the outstanding amount shall be repaid to Mr. Ma Jiankang on or before 31 March 2027 on an interest-free basis.

Contract liabilities

Our contract liabilities primarily represent when payment is received from customers or when payment is due, whichever is earlier, before the transfer of such related goods or services. Our contract liabilities decreased from RMB6.8 million as at 31 December 2023 to RMB3.7 million as at 31 December 2024, as the Company's operating income increased and our delivery cycle management capabilities improved. Our contract liabilities then decreased to RMB2.2 million as at 31 December 2025, as a portion of our projects are completed in the second half of the year, as stipulated in relevant contracts.

As at the Latest Practicable Date, RMB0.4 million or approximately 16.8% of our contract liabilities as at 31 December 2025 had been recognised as revenue.

Deferred income

Deferred income during the Track Record Period represents the grant of subsidy we received. We recorded deferred income of nil, nil and RMB3.0 million as at 31 December 2023, 2024 and 2025, respectively, mainly attributable to the grant of subsidy from the Xiamen Science and Technology Bureau.

CASH CONVERSION CYCLE

The following table sets forth our cash conversion cycle days for the years indicated:

	Year ended 31 December		
	2023	2024	2025
Inventory turnover days	174	64	45
Trade receivables turnover days	200	262	440
Trade payables turnover days	122	176	324
Cash Conversion Cycle ⁽¹⁾	252	150	161

- (1) The cash conversion cycle (CCC) is the number of days between investment in resources and the investment's conversion into cash flow from sales. CCC calculated using the following formula: $CCC = \text{Inventory turnover days} + \text{Trade receivables turnover days} - \text{Trade payables turnover days}$.

Our cash conversion cycle declined from 252 days in 2023 to 150 days in 2024, before increasing slightly to 161 days in 2025. The decrease of 102 days in 2024 was driven primarily by a 110-day reduction in inventory turnover days (from 174 days to 64 days), reflecting the full-year effect of our transition from an "inventory-holding" model (whereby we procured and maintained higher levels of raw materials and finished goods in anticipation of customer demand) to a "produce-to-order" (whereby production and procurement are carried out based on confirmed sales orders) model, together with a 54-day lengthening of trade payables turnover days (from 122 days to 176 days) following our negotiation of more favourable payment terms with suppliers. These movements were partially offset by a 62-day increase in trade receivables turnover days (from 200 days to 262 days) as our project-based intelligent civil aviation business grew.

In 2025, our cash conversion cycle increased by only 11 days, to 161 days, despite a 178-day increase in trade receivables turnover days (from 262 days to 440 days) attributable to the factors described above under "Reasons for Significant Increase in Trade Receivables Turnover Days in 2025". This increase was largely offset by a 19-day reduction in inventory turnover days (to 45 days) and a 148-day lengthening of trade payables turnover days (from 176 days to 324 days).

The lengthening of trade payables turnover days in 2025 reflected two factors: deliberate working capital management, through the negotiation of extended credit terms with certain suppliers; and the timing of large project deliveries and the accumulation of payables for ongoing

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and incomplete projects as at 31 December 2025, which is influenced by our fourth-quarter revenue seasonality. This is reflected in the increase in our trade payables aged over one year from RMB3.5 million as at 31 December 2024 to RMB75.2 million as at 31 December 2025.

For details of the Group's working capital management, please refer to “— Measures on working capital management” in this section.

SHARE CAPITAL AND TOTAL EQUITY

Our paid-in capital amounted to RMB54.7 million and RMB54.7 million as of 31 December 2023 and 2024, respectively. Following the conversion of our Company into a joint stock company with limited liability on 30 May 2025, our paid-in capital was converted into share capital. Our share capital further increased from RMB54.7 million to RMB55.4 million as of 31 December 2025, primarily due to a capital injection of approximately RMB0.8 million in August 2025.

In addition, our total equity amounted to RMB113.6 million, RMB121.9 million and RMB107.6 million as of 31 December 2023, 2024 and 2025, respectively. In 2023, our total equity decreased from RMB140.1 million as of 1 January 2023 to RMB113.6 million as of 31 December 2023, primarily reflecting our loss for the year of RMB32.6 million in 2023, partially offset by our equity-settled share awards arrangements of RMB4.0 million and the effect of the reorganisation between subsidiaries and partial disposal of a subsidiary of RMB2.0 million in 2023. Our total equity further increased to RMB121.9 million as of 31 December 2024, primarily reflecting our profit for the year ended 31 December 2024 of RMB8.3 million. As of 31 December 2025, our total equity decreased to RMB107.6 million, primarily reflecting our net loss for the year of RMB68.1 million, which was partially offset by capital contributions from shareholders of RMB48.5 million. In addition, equity-settled share award expenses of RMB5.3 million were recognised during the year, which had the effect of increasing equity reserves.

Our Company entered into a series of investment agreements (the “**Agreements**”) to issue 133,859,555 ordinary shares (representing 129,955,245 Shares as subdivided and 3,904,310 Shares issued after the Share Subdivision) to certain Pre-IPO Investors and the then Shareholders for net cash proceeds of approximately RMB719.1 million. Pursuant to the Agreements, these investors were granted redemption rights and liquidation preference rights by the Company. There was no exercise of the redemption rights and liquidation preference rights throughout the Track Record Period.

Pursuant to supplemental agreements entered into by the Company and the respective investors on 10 June 2025 and on 30 December 2025, the redemption rights and liquidation preference rights granted by the Company were irrevocably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the Directors considered that it is appropriate to present the above investments as equity throughout the Track Record Period.

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Had the redemption rights and liquidation preference rights granted by the Company to these investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the respective supplemental agreements in 2025, (i) the redemption financial liabilities, total current liabilities, net current liabilities, and net assets would have been:

	31 December 2023	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Redemption financial liabilities — current	881,625	948,184
Total current liabilities	1,020,978	1,240,928
Net current liabilities	791,949	835,196
Net assets	(768,027)	(826,298)

; and (ii) the finance costs associated with the redemption financial liabilities, the total net loss for the year, basic and diluted loss per share would have been:

	2023/12/31	2024/12/31	2025/12/31
Financial costs associated with the redemption financial liabilities (<i>RMB'000</i>)	(66,559)	(66,559)	(30,806)
Total net loss (<i>RMB'000</i>)	(99,136)	(58,271)	(98,955)
Basic and diluted loss per share (<i>RMB</i>)	(0.36)	(0.21)	(0.36)

For further details of the financial impacts, please refer to Note 28 to the Accountants' Report in Appendix I to this prospectus.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from equity financing, cash generated from our operations and bank borrowings. After the Global Offering, we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net proceeds from the Global Offering.

As at 31 December 2023, 2024 and 2025 and the Latest Practicable Date, we had cash and cash equivalents of RMB10.7 million, RMB54.7 million, RMB38.1 million and RMB10.5 million, respectively. Besides, as at the Latest Practicable Date, we had committed unutilised bank facilities and financial assets measured at FVPL of RMB330.5 million, and RMB0.2 million, respectively. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Taking into account the financial resources available to us, including our cash and cash equivalents, future cash flow from operating activities, available bank facilities and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Cash burn rate

Our cash burn rate refers to the average monthly cash operating costs related to workforce employment and research and development (“**Monthly Cash Burn**”). Our historical Monthly Cash Burn was RMB7.8 million, RMB8.7 million and RMB10.0 million in 2023, 2024 and 2025, respectively.

Taking into account our (i) cash and cash equivalents of approximately RMB10.5 million as at the Latest Practicable Date, (ii) financial assets measured at FVPL of approximately RMB0.2 million as at the Latest Practicable Date, and (iii) unutilised bank facilities of approximately RMB330.5 million as at the Latest Practicable Date and assuming our Monthly Cash Burn going forward will be RMB10.0 million, based on the underlying assumptions that (i) our workforce growth will generally align with our business expansion and not increase unexpectedly; (ii) no substantial unexpected capital expenditures; and (iii) no other acquisitions and investments, we

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estimate that we will be able to maintain our financial viability for approximately 34 months; or, if we also take into account the net proceeds from the Listing allocated for R&D and general corporate purposes of approximately RMB291.1 million in aggregate, assuming an Offer Price of HK\$21.66 per H Share, approximately 63 months. Our Directors and our management team will continue to monitor our working capital, cash flows and our business development status.

Basis for Cash Burn Analysis

According to Frost & Sullivan, the cash burn analysis is justified based on a range of financial, operational, and market factors, taking into account the net proceeds from the Listing. Frost & Sullivan's view is supported by the following considerations:

1. Historical Financial Performance

Our financial results during the Track Record Period (2023 to 2025) support the assessment that cash burn has been managed in alignment with business growth objectives.

- Revenue increased from RMB242.4 million in 2023 to RMB443.0 million in 2025, representing a CAGR of 35.2%, driven by expansion in the intelligent civil aviation, intelligent commerce, and intelligent driving safety segments.
- Gross profit margin remained relatively stable between 40.8% in 2023 and 37.7% in 2025, supported by changes in product mix and operational efficiencies, including a shift to a produce-to-order model, which reduced inventory turnover days from 174 in 2023 to 45 in 2025.
- A net loss of RMB32.6 million in 2023, which was followed by a net profit of RMB8.3 million in 2024, and then a net loss of RMB68.1 million in 2025.
- Monthly cash burn, defined as operating costs related to workforce and research and development, amounting to RMB7.8 million in 2023, RMB8.7 million in 2024, and RMB10.0 million in 2025, representing a CAGR of 13.2%, which is lower than the revenue CAGR of 35.2% during the same period.

Frost & Sullivan considers these financial developments as evidence of a transition from investment in technology and market presence to early-stage profitability.

2. Cash Runway and Working Capital Position

The cash burn analysis includes a review of current financial resources and the expected impact of net proceeds from the Listing.

- Based on the Group's cash and cash equivalents, financial assets at fair value through profit or loss and unutilised banking facilities as at the Latest Practicable Date, the Directors estimate that the Group has operational coverage of approximately 34 months, excluding net proceeds.
- Taking into account the net proceeds from the Listing allocated for R&D and general corporate purposes, the projected cash runway exceeds 12 months.
- The Directors confirm, after due enquiry, that we have sufficient working capital to meet our obligations for at least 12 months from the date of the prospectus. This assessment considers expected operating cash flows, funding availability, and seasonality in revenue, such as the 77.9% revenue contribution recorded in the fourth quarter of 2025.

Frost & Sullivan's sector outlook projects continued growth in enterprise visual AI adoption, supporting the assumption of improved cash flow generation from our market positions.

3. Allocation and Use of Net Proceeds

Frost & Sullivan, after due enquiry, is of the view that the planned use of net proceeds is structured to address cash burn drivers while supporting business development.

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- Approximately 55.8% (HK\$295.1 million) is allocated to research and development activities and product enhancement, including visual AI technologies and applications such as RecoSee, RecoAware, and RecoThink agents.
- Around 7.5% (HK\$39.7 million) is allocated to general corporate purposes, providing additional liquidity support during fluctuations in operating cash flows.

Frost & Sullivan considers the use of proceeds aligned with our existing technological capabilities and deployment scale. They also note our established presence in civil aviation and driving safety, including coverage of over two-thirds of major airports in China and integration with more than 500,000 freight vehicles.

4. Market Position and Industry Outlook

Frost & Sullivan's independent analysis supports the Directors' view that cash burn is consistent with growth opportunities in the enterprise visual AI sector.

- We ranked first in China's enterprise visual AI product market for civil aviation in 2025, with a market share of 8.7%, and fourth in commercial spaces, with a market share of 1.7%.
- By 31 December 2025, our products were deployed in over 60% of China's airports with annual passenger throughput exceeding 10 million, serving more than 1.5 billion passengers in aggregate.
- Industry trends, including digital transformation in enterprise applications and national support for AI development, are expected to continue driving demand for our solutions.

The Directors concur with Frost & Sullivan's view that our current cash burn reflects a phase of investment supported by a defined revenue trajectory, established market presence, and a clear plan for use of proceeds.

CASH FLOWS

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

	Year ended 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Cash generated from/(used in) operations	<u>(63,594)</u>	<u>13,055</u>	<u>(125,226)</u>
Interest received	<u>239</u>	<u>126</u>	<u>9</u>
Net cash flows from/(used in) operating activities	(63,355)	13,181	(125,217)
Net cash flows from/(used in) investing activities	24,232	(2,279)	(1,878)
Net cash flows from financing activities	12,103	33,115	110,557
Cash and cash equivalents at beginning of year	37,672	10,661	54,678
Effect of foreign exchange rate changes, net	<u>9</u>	<u>—</u>	<u>(4)</u>
Cash and cash equivalents at end of the year	<u><u>10,661</u></u>	<u><u>54,678</u></u>	<u><u>38,136</u></u>

Net cash flows from/(used in) operating activities

Net cash flows used in operations was RMB125.2 million in 2025, primarily due to a loss before tax of RMB68.1 million, as adjusted for (1) certain non-cash or non-operating items, primarily including reversal for impairment of trade and bills receivables (RMB68.8 million), depreciation of right-of-use assets (RMB5.8 million), finance costs (RMB5.0 million), write-down of inventories to net realisable value (RMB2.9 million), depreciation of property, plant and equipment (RMB3.1 million), and equity-settled share awards expense (RMB5.3 million); (2) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in

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trade and bills payables (RMB153.0 million), an increase in other payables and accruals (RMB38.8 million), and a decrease in prepayments, receivables and other assets (RMB8.5 million); partially offset by (3) changes in working capital that negatively affected the cash flow from operating activities, primarily including an increase in trade and bills receivables (RMB348.2 million) and an increase in contract assets (RMB5.6 million).

Net cash flows from operating activities was RMB13.1 million in 2024, primarily due to profit before tax of RMB8.3 million, as adjusted for (1) certain non-cash or non-operating items, primarily including finance costs of RMB1.9 million, depreciation of items of property, plant and equipment of RMB4.8 million, depreciation of right-of-use assets of RMB6.1 million and impairment of trade and bills receivables of RMB18.2 million, (2) changes in the working capital that positively affected the cash flow from operating activities, primarily including (i) decrease in inventories of RMB7.2 million; (ii) decrease in prepayments, receivables and other assets of RMB3.3 million; (iii) increase in trade payables of RMB101.9 million; and (iv) increase in other payables and accruals of RMB17.7 million, partially offset by (3) changes in working capital that negatively affected the cash flow from operating activities, primarily including (i) increase in trade and bills receivables of RMB151.0 million; (ii) increase in contract assets of RMB3.1 million; and (iii) decrease in contract liabilities of RMB3.0 million.

Net cash flows used in operating activities was RMB63.6 million in 2023, primarily due to loss before tax of RMB32.6 million, as adjusted for (1) certain non-cash or non-operating items, primarily including finance costs of RMB1.4 million, depreciation of items of property, plant and equipment of RMB4.9 million, depreciation of right-of-use assets of RMB8.2 million, gain on disposal of right-of-use assets of RMB0.2 million, impairment of trade and bills receivables of RMB9.7 million and write-down of inventories to net realisable value of RMB2.1 million, (2) changes in the working capital that negatively affected the cash flow from operating activities, primarily including (i) increase in trade and bills receivables of RMB149.7 million; and (ii) decrease in contract liabilities of RMB14.5 million; partially offset by (3) changes in working capital that positively affected the cash flow from operating activities, primarily including (i) decrease in inventories of RMB39.1 million; (ii) decrease in prepayments, receivables and other assets of RMB17.6 million; (iii) increase in trade payables of RMB33.8 million; and (iv) increase in other payables and accruals of RMB0.6 million.

Measures on working capital management

Our Company has adopted a number of measures to improve our operating cash flow position. On the cash inflow side, we have strengthened receivables management by closely monitoring outstanding balances on an ongoing basis. We hold bi-weekly review meetings with finance and business staff to monitor project progress, customer payment status, and ageing profiles, with the aim of identifying accounts requiring closer follow-up. For outstanding payments, we maintain regular communication with customers to facilitate timely settlement, including agreeing on instalment payment schedules where appropriate, and we follow up in accordance with agreed timelines to remind customers of pending payments.

We have also implemented a credit assessment framework for new customers, under which the creditworthiness of prospective counterparties is evaluated prior to contract execution, taking into account factors such as financial standing, payment history, and sector-specific risk profiles. For long-outstanding or high-risk receivables, we may issue legal notice to the customer or proceed directly with legal action. We are also adjusting payment terms in newly signed contracts, with an increasing portion of new contracts now requiring advance payments. In addition, we closely follow up with customers to accelerate cash collection across different project stages, and may draw on revolving credit facilities to further support our cash position.

On the cash outflow side, we are refining our management of accounts payable by negotiating more favorable payment terms with suppliers, resulting in an extension of payment terms by approximately 45 days for certain suppliers. When negotiating payment terms with suppliers, we take into account our expected timing of collection of trade receivables from customers and seek to

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align payment schedules to minimise any mismatch between cash inflows and outflows. We have also improved our supply chain management by implementing a purchase-to-order procurement model, whereby procurement is made strictly based on sales orders, reducing excess inventory while ensuring timely supply from vendors. We have further enhanced our inventory management by disposing of older product models and reducing warehouse rental space to lower storage costs.

We continue to exercise strict control over operating expenses by strengthening budget approval procedures through enhanced internal review and multi-level approval processes for material expenditures, to avoid unnecessary expenditure, such as travel, marketing, office overhead and other administrative expenses. All major operating expenses are subject to pre-approval and periodic budget monitoring, and we obtain competitive quotations where applicable. We prepare an annual budget which is subject to review and approval by senior management, and conduct quarterly budget review meetings between business units and the finance manager to monitor performance against budget. Any material deviation from or adjustment to the approved budget requires proper justification and the approval of our chief financial officer. We prioritise expenditure directly linked to revenue-generating activities such as project delivery, product development and customer acquisition, and periodically review spending against revenue contribution and efficiency, reallocating resources from lower-performing areas where appropriate.

Through the combination of these initiatives on both the cash inflow and cash outflow sides, our Company aims to improve working capital turnover, enhance cash flow efficiency, and support sustainable business growth. Our Directors, having considered our forecasted cash flow, business plan, and key assumptions including expected revenue growth driven by increased market demand and new customer acquisition, continued implementation of cost control measures to improve operating efficiency, and the anticipated realisation of our existing product backlog and conversion of our expected sales pipeline, are of the view, based on these estimates and assumptions which are subject to change, that our Company is expected to achieve net operating cash inflows by 2026.

Net cash flows from/(used in) investing activities

Net cash flows used in investing activities was RMB1.9 million in 2025, primarily due to purchase of financial assets at fair value through profit or loss (RMB1.0 million), purchase of items of property, plant and equipment (RMB1.4 million) and purchase of items of intangible assets (RMB0.4 million), partially offset by proceeds from disposal of financial assets at fair value through profit or loss (RMB0.9 million).

Net cash flows used in investing activities was RMB2.3 million in 2024, primarily due to purchase of financial asset measured at fair value through profit or loss of RMB1.7 million and purchase of items of property, plant and equipment of RMB2.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB1.6 million.

Net cash flows from investing activities was RMB24.2 million in 2023, primarily due to proceeds from disposal of financial assets at fair value through profit or loss of RMB61.7 million, partially offset by purchase of financial assets measured at fair value through profit or loss of RMB36.6 million.

Net cash flows from financing activities

Net cash flows from financing activities was RMB110.6 million in 2025, primarily due to new bank and other borrowings of RMB152.2 million, proceeds from issue of shares of RMB50.0 million, loans from related parties of RMB8.6 million, and proceed from sublessor in sublease arrangements of RMB0.1 million, partially offset by repayment of bank and other borrowings of RMB78.8 million, repayment of related party loans of RMB8.0 million, principal portion of lease payments of RMB6.6 million, and interest and other finance costs paid of RMB3.4 million.

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Net cash flows from financing activities was RMB33.1 million in 2024, primarily due to new bank and other borrowings of RMB78.4 million and interest and other finance costs paid of RMB1.7 million, partially offset by repayment of bank and other borrowings of RMB38.4 million and payments of principal portion of lease of RMB6.6 million.

Net cash flows from financing activities was RMB12.1 million in 2023, primarily due to new bank and other borrowings of RMB37.1 million, partially offset by repayment of bank and other borrowings of RMB14.5 million and payments of principal portion of lease of RMB9.7 million.

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as at the dates indicated.

	2023	As at 31 December		As at
	2023	2024	2025	30 April
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)
Current assets				
Inventories	30,180	23,889	19,308	24,388
Trade and bills receivables	174,513	307,198	586,599	459,989
Contract assets	1,242	3,177	4,489	4,489
Prepayments, receivables and other assets	11,621	15,817	8,025	18,515
Financial assets at fair value through profit or loss	812	973	1,128	193
Cash and cash equivalents	<u>10,661</u>	<u>54,678</u>	<u>38,136</u>	<u>3,318</u>
Total current assets	<u>229,029</u>	<u>405,732</u>	<u>657,685</u>	<u>510,892</u>
Current liabilities				
Trade payables	64,252	166,117	319,139	220,627
Other payables and accruals	24,747	43,242	82,500	65,789
Lease liabilities	7,410	3,420	6,086	5,864
Interest-bearing bank and other borrowings	36,173	76,222	151,250	145,706
Contract liabilities	6,771	3,743	2,237	8,581
Deferred income	<u>—</u>	<u>—</u>	<u>2,950</u>	<u>2,950</u>
Total current liabilities	<u>139,353</u>	<u>292,744</u>	<u>564,162</u>	<u>449,517</u>
Net current assets	<u>89,675</u>	<u>112,988</u>	<u>93,523</u>	<u>61,375</u>

Our net current assets increased from RMB89.7 million as at 31 December 2023 to RMB113.0 million as at 31 December 2024, primarily due to (1) the increase in our trade and bills receivables from RMB174.5 million to RMB307.2 million; (2) the increase in our contract assets from RMB1.2 million to RMB3.2 million; (3) the increase in our cash and cash equivalents from RMB10.7 million to RMB54.7 million; (4) the decrease in our current lease liabilities from RMB7.4 million to RMB3.4 million; and (5) the decrease in our contract liabilities from RMB6.8 million to RMB3.7 million, partially offset by (1) the decrease in our inventories from RMB30.2 million to RMB23.9 million; (2) the increase in our prepayments, receivables and other assets from RMB11.6 million to RMB15.8 million; (3) the increase in our trade payables from RMB64.3 million to RMB166.1 million; (4) the increase in our other payables and accruals from RMB24.7 million to RMB43.2 million; and (5) the increase in our interest-bearing bank and other borrowings from RMB36.2 million to RMB76.2 million.

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Our net current assets decreased from RMB113.0 million as at 31 December 2024 to RMB93.5 million as at 31 December 2025, primarily due to (1) the increase in our trade payables from RMB166.1 million to RMB319.1 million; (2) the increase in our other payables and accruals from RMB43.2 million to RMB82.5 million; (3) the increase in our interest-bearing bank and other borrowings from RMB76.2 million to RMB151.3 million; (4) the decrease in our cash and cash equivalents from RMB54.7 million to RMB38.1 million; and (5) the decrease in our prepayments, receivables and other assets from RMB15.8 million to RMB8.0 million and the decrease in our inventories from RMB23.9 million to RMB19.3 million, partially offset by (1) the increase in our trade and bills receivables from RMB307.2 million to RMB586.6 million.

Our net current assets decreased from RMB93.5 million as at 31 December 2025 to RMB61.4 million as at 30 April 2026, primarily due to (1) the decrease in our cash and cash equivalents from RMB38.1 million to RMB3.3 million; and (2) the decrease in our trade and bills receivables from RMB586.6 million to RMB460.0 million, partially offset by (1) the decrease in our trade payables from RMB319.1 million to RMB220.6 million; (2) the decrease in our interest-bearing bank and other borrowings from RMB151.3 million to RMB145.7 million; (3) the increase in our prepayments, receivables and other assets from RMB8.0 million to RMB18.5 million; and (4) the decrease in our other payables and accruals from RMB82.5 million to RMB65.8 million. Total current assets decreased from RMB657.7 million to RMB510.9 million, and total current liabilities decreased from RMB564.2 million to RMB449.4 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Workforce employment ⁽¹⁾	83,040	86,713	77,925
Research and development ⁽²⁾	11,053	17,573	42,086
Direct production costs, including materials ⁽³⁾	144,045	144,115	128,329
Product marketing ⁽⁴⁾	10,911	10,031	12,813
Non-income taxes and other charges	569	12,068	1,103
Contingency allowances	—	—	—
Total	<u>249,618</u>	<u>270,500</u>	<u>262,256</u>

Notes:

- (1) Calculated by adding our employee benefits expenses under our cost of sales, selling and distribution expenses, administrative expenses, as well as R&D costs, adjusted by changes in working capital relating to payroll and welfare as at previous and current year end.
- (2) Calculated by our R&D costs less (i) employee benefits expenses under our R&D costs, and (ii) non-cash items, including depreciation and amortisation as well as share-based payment expenses under R&D costs.
- (3) Calculated by our cost of sales less (i) employee benefits expenses under our cost of sales, and (ii) non-cash items, including depreciation and amortisation under our cost of sales and inventory write-down, adjusted by changes in working capital relating to prepayments, trade payables and inventory as at previous and current year end.
- (4) Calculated by our selling and distribution expenses less (i) employee benefits expenses under our selling and distribution expenses, and (ii) non-cash items, including depreciation and amortisation as well as share-based payment expenses under selling and distribution expenses.

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INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of interest-bearing bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as at the dates indicated.

	As at 31 December			As at 30 April 2026
	2023	2024	2025	
	<i>(RMB in thousands)</i>			(Unaudited)
Current				
Interest-bearing bank and other borrowings	36,173	76,222	151,250	145,706
Lease liabilities	7,410	3,420	6,086	5,864
Total current	43,583	79,642	157,336	151,570
Non-current				
Interest-bearing bank and other borrowings	812	610	—	8,511
Lease liabilities	1,155	1,042	6,926	5,654
Total non-current	1,967	1,652	6,926	14,165
Total indebtedness	45,550	81,294	164,262	165,735

Interest-bearing bank and other borrowings

We had interest-bearing bank and other borrowings of RMB37.0 million, RMB76.8 million, RMB151.3 million and RMB154.2 million as at 31 December 2023, 2024 and 2025, and 30 April 2026, respectively. The interest rate of our interest-bearing bank and other borrowings ranged from 0.9% to 6.00%, 3.20% to 6.00% and 2.90% to 12.00% as at 31 December 2023, 2024 and 2025, respectively. As at 31 December 2025, interest-bearing bank and other borrowings of RMB151.3 million were secured by (i) certain originally acquired invention patents and utility model patents, (ii) guarantees provided by certain of our directors and related parties, and (iii) guarantees provided by certain independent third-party financing guarantee companies.

The guarantee provided by our directors and related parties will be released before Listing.

The amounts of loans guaranteed by guarantee companies range approximately from RMB0.6 million to RMB11.0 million, and their fees range approximately from RMB3,500 to RMB0.1 million. Independent third party financing guarantee companies provided guarantees for the Group's loans for two main reasons: (i) because such guarantee company fees can be offset by government subsidies; and (ii) because some of these companies are government-backed guarantee institutions intended to reduce financing difficulties for enterprises.

Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

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Lease liabilities

Our lease liabilities were primarily related to our office leases. Our total lease liabilities were RMB8.6 million, RMB4.5 million, RMB13.0 million and RMB11.5 million as at 31 December 2023, 2024, and 2025 and 30 April 2026, respectively, changes of which were primarily due to our lease payments.

Save as disclosed above, as at 31 December 2023, 2024, and 2025 and 30 April 2026, we had no bank loans or other borrowings, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities.

Since 30 April 2026 and up to the Latest Practicable Date, there had not been any material change in our indebtedness.

CONTINGENT LIABILITIES

As at 31 December 2023, 2024, and 2025, and the Latest Practicable Date, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, we did not capitalise internal development costs as intangible assets. The following table sets forth our annual and total research and development expenditure for the years indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Research and development costs	46,636	53,136	71,898
Adjustments:			
Add: intangible assets acquired from third parties and capitalised ⁽¹⁾	—	—	—
Less: amortisation expense of capitalised intangible assets included in research and development expenditure ⁽¹⁾	—	—	—
Annual research and development expenditure	<u>46,636</u>	<u>53,136</u>	<u>71,898</u>
Total research and development expenditure for the three financial years prior to the Listing			<u><u>171,670</u></u>

(1) Primarily related to software procured from third parties for our research and development activities.

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The following table sets forth our annual and total operating expenditure for the years indicated:

	Year ended 31 December		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Research and development costs	46,636	53,136	71,898
Selling and distribution expenses	39,972	41,344	39,507
Administrative expenses	42,731	43,848	54,443
Adjustments:			
Add: intangible assets acquired from third parties and capitalised ⁽¹⁾	—	—	—
Less: amortisation expense of capitalised intangible assets included in research and development expenditure ⁽¹⁾	—	—	—
Annual total operating expenditure	<u>129,339</u>	<u>138,328</u>	<u>165,848</u>
Total operating expenditure for the three financial years prior to the Listing			<u><u>433,515</u></u>

(1) Primarily related to software procured from third parties for our research and development activities.

The following table sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the years indicated.

	Year ended 31 December		
	2023	2024	2025
Annual research and development expenditure ratio⁽¹⁾	36.1%	38.4%	43.4%
Total research and development expenditure ratio⁽²⁾			39.6%

(1) Calculated by dividing annual research and development expenditure by annual/period total operating expenditure.

(2) Calculated by dividing total research and development expenditure for the three financial years prior to the Listing by total operating expenditure for the three financial years prior to the Listing.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on acquisition of property, plant and equipment, as well as purchase of intangible assets. Our capital expenditures were RMB0.9 million in 2023, RMB2.0 million in 2024 and RMB1.4 million in 2025.

We expect to incur additional capital expenditure in 2026 primarily for the purchase of property, plant and equipment, and intangible assets. We plan to fund such planned capital expenditures through our existing cash and cash generated from our operating activities. After the Listing, we expect to finance our capital expenditure through a combination of existing cash, cash flows generated from our operating activities, bank borrowings and net proceeds from the Global Offering. Please refer to the section headed “Future Plans and Use of Proceeds” for the portion of capital expenditures to be funded by the proceeds from the Global Offering. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions, regulatory environment and other factors we believe to be appropriate.

Capital Commitments

We have no significant contractual commitments as at 31 December 2023, 2024 and 2025.

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OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

LISTING EXPENSES

We recorded listing expenses of nil, RMB0.5 million and RMB14.1 million in 2023, 2024 and 2025, respectively. Approximately RMB14.1 million of listing expenses was recognised in profit or loss in 2025. We expect to incur a total of approximately RMB68.9 million (HK\$79.3 million) of listing expenses in connection with the Global Offering, representing approximately 13.0% of the gross proceeds from the Global Offering (assuming an Offer Price of HK\$21.66), including (1) underwriting commissions, sponsor fees, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB36.6 million (HK\$42.1 million), and (2) non-underwriting related expenses of approximately RMB32.3 million (HK\$37.2 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB19.8 million (HK\$22.8 million), and (ii) other fees and expenses of approximately RMB12.5 million (HK\$14.4 million).

Approximately RMB35.3 million (HK\$40.6 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB33.6 million (HK\$38.7 million) is expected to be deducted from equity. The listing expenses above are the best estimate as at the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not related parties. Please refer to Note 35 to the Accountants' Report included in Appendix I to this prospectus for details. Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance.

As at 31 December 2025, the only outstanding balances with related parties amounted to approximately RMB1.8 million, which were non-trade in nature and arose from interest-free, unsecured loans advanced by Mr. Ma Jiankang to Guangdong Mai Ge Er Intelligent Technologies Co., Ltd. (廣東麥格爾智能科技有限公司) ("Mai Ge Er"), a non-wholly owned subsidiary in which he is a minority shareholder. The aforesaid balance remained outstanding as at the Latest Practicable Date and will be repaid in accordance with a repayment agreement between Mai Ge Er and Mr. Ma Jiankang, pursuant to which the outstanding amount is repayable on or before 31 March 2027 on an interest-free basis.

KEY FINANCIAL RATIOS

	As at/for the year ended 31 December		
	2023	2024	2025
Profitability:			
Gross profit margin ⁽¹⁾	40.8%	39.8%	37.7%
Liquidity			
Current ratio ⁽²⁾	1.64	1.39	1.17
Quick ratio ⁽³⁾	1.43	1.30	1.13

(1) The calculation of gross profit margin is based on gross profit for the year divided by revenue for the respective year and multiplied by 100.0%.

(2) The calculation of current ratio is based on current assets divided by current liabilities as at period end.

(3) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as at period end.

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Analysis of Key Financial Ratios

Gross profit margin

Please refer to the paragraph headed “— Year to Year Comparison of Results of Operations” for a discussion of the factors affecting our gross profit margin during the Track Record Period.

Current ratio and quick ratio

Our current ratio and quick ratio decreased from 1.64 and 1.43 as at 31 December 2023 to 1.39 and 1.30 as at 31 December 2024, respectively, primarily due to the increase in our current liabilities resulting from the increase in trade payables, other payables and accruals and interest-bearing bank and other borrowings, partially offset by the increase in trade and bills receivables and cash and cash equivalents.

Our current ratio and quick ratio decreased to 1.17 and 1.13 as at 31 December 2025, respectively, primarily due to the increase in our current liabilities, which was driven by a significant rise in interest-bearing bank and other borrowings (from RMB76.2 million to RMB151.3 million), an increase in trade payables (from RMB166.1 million to RMB319.1 million), and an increase in other payables and accruals (from RMB43.2 million to RMB82.5 million), while current assets such as cash and cash equivalents decreased (from RMB54.7 million to RMB38.1 million), and inventories and trade and bills receivables increased only moderately over the same period.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

Our principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at FVTPL and cash and short-term deposits. The main purpose of these financial instruments is to fund our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations.

Our Directors review and determine the policies for managing each of these risks. For details of our financial risk management, please refer to Note 37 to the Accountants’ Report in Appendix I to this prospectus.

DIVIDENDS

We are a holding company incorporated under PRC laws. During the Track Record Period and up to the Latest Practicable Date, we did not declare or pay any dividends, nor did we have any dividend policy in place or pre-determined formal dividend payout ratio. Pursuant to our Articles of Association, our Board will formulate the dividends distribution plan after taking into account our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association, applicable PRC law and approval by our Shareholders. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Adviser, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For information regarding the unaudited pro forma adjusted consolidated net tangible assets, which were prepared to illustrate the effect of the Global Offering on the audited consolidated net tangible assets of our Group attributable to the owners of our Company as at 31 December 2025, as if the Global Offering had taken place on 31 December 2025, please refer to Appendix II to this prospectus for the figures, bases, and assumptions used in calculating the unaudited pro forma adjusted consolidated net tangible assets figure.

FINANCIAL INFORMATION

DISTRIBUTABLE RESERVES

As at 31 December 2025, we had no distributable reserves.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

IMPACT OF COVID-19

Qualitative Information

The COVID-19 pandemic had a material impact on our operations and financial performance during the period leading up to and in the initial phase of the Track Record Period. This was due to widespread travel restrictions, lockdowns, and economic disruptions in China under the zero-COVID policy, which remained in effect until late 2022.

During this period, commercialisation of our products was affected as enterprise customers across key sectors postponed technology investments due to uncertainty and budget limitations. Our business model, which involves the deployment of our solutions in high-traffic environments, experienced delays in project implementation, customer procurement, and revenue recognition.

The impact on customers across sectors is summarised as follows:

- **Civil Aviation:** Airports and related operators reduced operations in response to lower passenger traffic and flight suspensions. This resulted in deferred adoption of our systems used for security, screening, and operational management.
- **Commerce:** Commercial real estate developers and retailers delayed digital infrastructure projects due to reduced consumer activity and more conservative capital allocation.
- **Driving Safety:** Although less affected, some customers experienced delays in procurement due to supply chain disruptions and a slower pace of economic activity.

The pandemic is considered an external factor that contributed to operating losses during the early phase of the Track Record Period. It did not affect the development of our core technologies or change our business direction. During this time, we initiated cost control measures and product adjustments. These changes have remained in place as part of our post-pandemic operations. The pandemic also reinforced market awareness of the role of our technologies in improving operational efficiency and safety. This is reflected in the increased interest in digital transformation across multiple industries following the easing of restrictions.

Quantitative Information

The financial effects of the pandemic are reflected in our results during the Track Record Period:

- **2023:** Following the relaxation of COVID-19 restrictions, revenue was RMB242.4 million. Net loss was RMB32.6 million. Revenue from the intelligent civil aviation segment was RMB128.8 million, representing 53.2% of total revenue, reflecting the recovery in airport construction and expansion activity post-pandemic.
- **2024:** Revenue increased by 63.1% to RMB395.2 million. Net profit was RMB8.3 million. Gross profit margin increased to 39.8%, supported by higher operating scale and improved cost structure.
- **2025:** the residual financial impacts of the pandemic had substantially subsided.

The civil aviation sector in China recorded significant declines in passenger volume during the pandemic:

- Passenger traffic at China's civil transport airports in 2022 was approximately 520 million, representing a 42.7% year-on-year decline. In 2020, traffic declined from 1.35 billion passengers in 2019 to approximately 417 million, a decline of approximately 69%.

FINANCIAL INFORMATION

- International flight capacity from China fell by over 90% during the early stages of 2020, with limited recovery throughout 2022 due to ongoing border controls.

These conditions reduced the addressable market for our intelligent civil aviation solutions in the period prior to the Track Record Period. As market conditions improved, the segment's contribution increased from 53.2% of the total revenue in 2023 to 57.9% in 2024, before adjusting to 38.9% in 2025.

NO MATERIAL ADVERSE CHANGE

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

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

After deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$21.66 per Share, we estimate that we will receive net proceeds of approximately HK\$529.1 million from the Global Offering. We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below:

- (1) **Continued research on core technologies and enhancement of product offerings:** approximately 55.8%, or HK\$295.1 million, will be used to strengthen our R&D capabilities and enhance product offerings in the next five years, including:
 - (i) **R&D on core technologies:** approximately 27.7%, or HK\$146.5 million, will be applied for the retention of existing R&D staff and the recruitment of additional R&D personnel to support the continuous research, development and optimisation of our deep learning algorithms, vision large models, and optical imaging technologies:
 - (a) Approximately 4.4%, or HK\$23.3 million, will be used to further optimise deep learning algorithms to develop low-cost, high-performance solutions tailored to evolving business needs by adapting them to low-computation chips and improving accuracy, and to develop 3D vision algorithms based on RGB-D and point cloud data to enhance behaviour detection accuracy and support collaborative robotics, which are expected to be commercialised and integrated into our products in 2027.
 - (b) Approximately 17.5%, or HK\$92.4 million, will be used for R&D on general-purpose VLMs. We plan to develop VLMs deployable on both edge and cloud platforms, as well as end-to-end VLA models for robotic tasks to support multi-agent collaboration and embodied intelligence. We aim to upgrade existing lightweight models with VLMs, targeting cloud deployment in 2027 and edge deployment in 2028. In parallel, we will develop VLA models to support robotic applications in baggage handling and palletising, with deployment planned for 2028. By 2029, we intend to enhance multi-agent collaboration capabilities using wheeled dual-arm robots.
 - (c) Approximately 5.8%, or HK\$30.8 million, will be used for R&D on optical imaging technologies. We aim to continue to optimise optical imaging and AI-ISP technology to enhance adaptability and imaging quality in ultra-low-light environments with end-to-end AI-ISP algorithms by 2027. In parallel, we will advance our visual deep sensing technologies by ToF and structured light methods to improve accuracy, enable high-performance 3D optical modules, and increase adaptability across diverse application scenarios.
 - (ii) **Product iteration:** approximately 12.8%, or HK\$67.9 million, will be applied for the upgrade and iteration of existing products in the next five years:
 - (a) Approximately 8.0%, or HK\$42.1 million, will be used on product upgrades for Tickway Access Gates and the MrRay Passenger Service Robot, which are expected to be commercialised in 2027 and 2028, respectively.
 - (b) Approximately 2.8%, or HK\$14.9 million, will be used on upgrades to the SINHON Business System, which is expected to be commercialised in 2027.
 - (c) Approximately 2.0%, or HK\$10.9 million, will be used for iterations of the safety driving assistance products. We expect to commercialise low-compute ADAS and BSD products in 2027, and other products from 2028 to 2030.

FUTURE PLANS AND USE OF PROCEEDS

- (iii) **New product development:** approximately 15.3%, or HK\$80.7 million, will be applied for the development of new intelligent products:
- (a) Approximately 6.4%, or HK\$33.7 million, will be used for upgrades to the AntOne Baggage Handling Robot, which is expected to be launched and commercialised in 2026.
 - (b) Approximately 6.6%, or HK\$35.0 million, will be used for the development of an embodied intelligent composite robot, scheduled for commercialisation in 2028.
 - (c) Approximately 2.3%, or HK\$12.0 million, will be applied for the development of an intelligent spatial analysis model engine, planned for commercialisation in 2027, to be integrated into the SINHON Business System.

See “Business — Research and Development — Key Research Projects” for details of our research projects. The net proceeds will cover R&D expenses including staff salaries, materials, equipment, associated operational expenses such as certification or patent application fees supporting the full development process. We currently have a R&D team of over 100 staff, and plan to gradually expand our R&D team. In the next five years, we plan to recruit 50 to 60 R&D personnel, including five to ten product and project managers, three to five system engineers, 10 to 20 algorithm and data engineers, and 20 to 25 specialists in optics, software, hardware, structural design, electrical engineering, and testing. The actual number will depend on project scale, development priorities, and talent availability. Candidates are expected to have strong technical expertise and relevant industry experience, with academic backgrounds in engineering, computer science, or related fields, particularly in AI, robotics, optics technologies, and systems integration, along with a demonstrated ability to contribute to innovative R&D projects.

Talent is an important driver of innovation and plays a key role in helping us remain competitive. As part of our overall R&D personnel strategy, we aim to build and retain a capable and stable R&D team to support the ongoing research, development, and optimisation of our technologies. Taking into account market conditions, we are working to establish a competitive compensation structure to attract suitable talent. We believe that by investing in our people and fostering a supportive working environment, we can continue to improve our innovation capabilities and sustain our competitiveness over time. The relevant portion of the net proceeds will be applied toward covering a part of the salaries and related costs of our existing R&D staff, as well as the recruitment and onboarding of additional R&D personnel.

We expect that increasing our investment in R&D will enhance our ability to bring new products to market more rapidly, accelerate technological innovation, and strengthen our overall competitiveness. While remaining committed to continuously enhancing our R&D capabilities, we will regularly assess results and outcomes, adjusting our R&D direction and resource allocation as appropriate. For instance, in 2023, we recorded relatively lower amount of R&D expenditure, primarily due to the relative maturity of our intelligent park management solution technologies at the time. Key products and systems in this area had reached a stable stage and required less ongoing development. During the same period, we also scaled back investment in our Smart Door Lock business in response to intensified market competition and pressure on gross margins, reallocating resources to areas with stronger long-term potential.

Although R&D activities typically involve upfront investment and longer development timelines, we believe the successful application and commercialisation of these technologies may contribute to improved financial performance and strengthen our competitive position. As such, we believe that increased investment in R&D is essential to advancing our strategic objectives and long-term business development.

- (2) **Establishment of production base:** approximately 26.3%, or HK\$139.2 million, will be used for the establishment of our production base to support the manufacturing of hardware for our intelligent civil aviation segment, including approximately 6.5%, or HK\$34.5 million, for the purchase of land, and approximately 19.8%, or HK\$104.7 million, for construction of facilities. We will not allocate any net proceeds to pay salaries of staff to be hired, as we expect hiring to commence only upon completion of construction in 2027 and to fund such salaries from

FUTURE PLANS AND USE OF PROCEEDS

internal cash flows. The production base is expected to be primarily used for in-house manufacturing, assembly, and testing of our hardware and systems, which our Directors consider to be beneficial to our long-term development because it will enhance our supply chain stability, improve quality control, and reduce reliance on third-party manufacturers.

Details of our establishment plan of production base are set out below:

- *Expected timetable:* The construction period is expected to span approximately 1.5 years. We plan to complete land acquisition by the end of 2026, commence construction in 2027, and complete construction and installation of production and testing equipment in first half of 2028.
- *Site selection criteria:* The specific location for the production base has not yet been determined, and no agreements have been signed for land acquisition as at the Latest Practicable Date. We are currently conducting site selection assessments and other preparatory work, and expect to finalize the site selection in second half of 2026. The site selection process will take into account a range of factors, including proximity to supply chain partners, accessibility to transportation infrastructure, availability of skilled talent, and the overall quality of the local business environment. In particular, we will focus on economically developed regions with strong industrial clusters, such as the Yangtze River Delta and the Pearl River Delta, which offer advantages in terms of industrial integration, logistics efficiency, and access to resources. Priority will be given to regions with established industrial clusters to facilitate supply chain integration, areas with well-developed infrastructure to optimise logistics, locations near universities and research institutes to support talent recruitment, and jurisdictions offering favourable government policies that support the industries in which we operate. These criteria are designed to ensure that the production base will be strategically located to support our long-term growth, operational efficiency, and innovation objectives.
- *Expected Gross Floor Area and Function Layout.* The proposed production base is expected to have a total gross floor area of approximately 40,000 sq.m.. The facility will include dedicated areas for manufacturing, research and development, warehousing, and office operations. Key functional zones will include production workshops for sheet metal processing, CNC machining and system assembly. It will also house R&D laboratories focused on hardware and optics, a centralised warehouse for logistics and storage, and supporting office and ancillary spaces.
- *Equipment.* A wide range of advanced equipment will be acquired to support the full operation of the proposed production base. This includes machinery for sheet metal processing such as laser cutting machines, CNC bending and punching equipment, and welding systems. The CNC machining workshop will be equipped with three axis to five axis CNC machines, lathes, milling machines, and 3D printers for both metal and plastic applications. The R&D laboratories will include environmental testing chambers for temperature and humidity, precision measurement tools, and electronic testing systems to support hardware and optical development. The assembly area will feature calibration and alignment tools, while the warehouse will adopt intelligent storage solutions including automated pallet and bin systems and automated guided vehicles to improve warehousing efficiency.
- *Production capacity.* Upon reaching full capacity, the proposed facility is expected to achieve an annual output of approximately 600 single-channel smart boarding gates. The annual production capacity for millimetre-wave security screening gates is set at 120 units. Moreover, the facility plans to produce up to 200 baggage transfer robots per year. These production targets are designed to meet anticipated demand from major domestic airports and to support future overseas market expansion.
- *Staff.* We plan to hire up to 250 employees during the ramp-up to full capacity, including 20 managers, 30 technicians, and 200 production workers, all with relevant experience in equipment manufacturing.

FUTURE PLANS AND USE OF PROCEEDS

According to Frost & Sullivan, the market for visual AI products in China's civil aviation sector is expected to grow from RMB2.0 billion in 2025 to RMB6.3 billion in 2030, representing a CAGR of 25.8%. Leveraging our industry experience and brand recognition, our Group anticipates securing more business orders to support the operation of the production facility. By transitioning to in-house manufacturing, we expect to reduce production costs by eliminating supplier mark-ups, leading to improved cost efficiency and an expected gross profit margin improvement of approximately 10% upon full utilisation. With production managed internally, we optimise procurement through centralised bulk purchasing of raw materials, enhance our pricing power, and improve supply chain coordination.

Depreciation and amortisation are calculated on a straight-line basis: buildings over 20 years; machinery and equipment over 15 years; land use rights over 50 years; and intangible assets over 5 to 10 years depending on their nature and expected usage. The projections also take into account applicable tax rates and preferential policies, including the reduced enterprise income tax rate of 15% available to High and New Technology Enterprises.

All projections relating to the expected financial and operational performance of the expansion project are based on current assumptions and available information. These are subject to change due to various factors, including market conditions and actual implementation progress. There is no assurance that the project will achieve the results as projected.

- (3) **Enhancement of marketing capabilities and expansion of overseas sales channels in the next three years:** approximately 10.4%, or HK\$55.1 million, will be used for improving our business development and marketing capabilities as well as expanding our overseas sales channels. We plan to deepen and broaden our marketing and promotional efforts through participation in industry exhibitions, forums, targeted customer roundtable meetings, and new media campaigns. We will also expand our marketing, industry consulting, and operational support teams, enhance staff training programmes, and improve the overall capabilities of our marketing and operation support personnel, and our market research and business development competencies. In addition, we also plan to establish sales channels to broaden our international presence. More specifically,
- (i) Approximately 5.4%, or HK\$28.6 million, will be used to expand customer base in existing industry verticals. We plan to increase promotional efforts and strengthen brand awareness of our products and solutions in civil aviation, business, and driving safety settings to expand our customer base.
 - (ii) Approximately 0.6%, or HK\$3.3 million, will be used to develop customers in new industry verticals. We plan to explore and penetrate emerging application scenarios to diversify our industry presence and capture new growth opportunities.
 - (iii) Approximately 4.3%, or HK\$23.2 million, will be used for overseas marketing campaigns and establishing overseas sales channels. We plan to recruit sales representatives or collaborate with overseas partners to expand our international sales channels, thereby broadening our global presence and enhancing our geographic coverage.

To support our overseas business development and gradually expand our international presence, we plan to adopt a regional sales approach that combines centrally based sales representatives with cooperation from experienced local partners. At present, our overseas sales representatives are based in China and are responsible for coordinating activities in their respective regions. They work closely with local partners to reach target industries and customers. We are actively developing relationships with local system integrators, technology firms and international civil aviation solution providers to support our overseas expansion and further extend our reach. We have entered into cooperation arrangements with select partners in Southeast Asia, including local airport solution provider and system integrator to explore business opportunities in airport expansion projects in Thailand and Vietnam. We are also in discussions with an internationally recognised departure control system provider to obtain system certification and complete interface integration, which are expected to help facilitate our participation in overseas projects. We believe this approach is cost-effective and allows us to enter new markets efficiently without the need for significant investment in setting up overseas branches or hiring a large number of local staff. We do not intend to set up any subsidiaries or branches overseas.

FUTURE PLANS AND USE OF PROCEEDS

In these overseas regions, we are actively promoting our core product lines, such as security gates, boarding gates and baggage handling robots, mainly targeting the civil aviation sector. At the same time, we are introducing our IoT-related products, including full-colour night vision cameras, to further diversify our product offering. In addition to civil aviation, we are exploring new business applications in areas such as rail transit passenger flow management and smart logistics, especially in cargo handling. These sectors offer opportunities to apply our core technologies and broaden our customer base.

We will participate in selected international industry exhibitions and forums such as Future Travel Experience and Passenger Terminal Expo to showcase our products, engage with potential customers and partners, and stay informed about developments in civil aviation and related sectors. We also plan to join relevant trade and industry associations, enabling us to take part in joint research and technical exchanges that align our solutions with international standards and enhance our global presence. To further increase brand recognition and product awareness, we will implement targeted media strategies, including publishing promotional content in sector-focused publications and producing short videos that highlight industry challenges and our corresponding product offerings and solutions. These efforts will support customer acquisition and strengthen our visibility in key international markets.

To support these efforts, we plan to gradually increase marketing and operations personnel in line with business needs. This will include up to seven marketing staff to assist with customer outreach and coordination with local partners, two technical staff to explore new industry applications such as rail transit and cargo handling, and two operations staff to support post-sales engagement with overseas customers. These personnel will be allocated based on regional demand, with initial priorities in Southeast Asia, particularly Thailand, Vietnam and Singapore.

- (4) **General corporate purposes:** approximately 7.5%, or HK\$39.7 million, will be used for working capital and general corporate purposes.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in our best interests. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

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HONG KONG UNDERWRITERS

Huatai Financial Holdings (Hong Kong) Limited
CCB International Capital Limited
ABCI Securities Company Limited
CMBC Securities Company Limited
Huafu International Securities Limited
Shenwan Hongyuan Securities (H.K.) Limited
Sunfund Securities Limited
Futu Securities International (Hong Kong) Limited
Yuet Sheung International Securities Limited

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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.

The Global Offering comprises the Hong Kong Public Offering of initially 1,404,400 Hong Kong Offer Shares and the International Offering of initially 26,682,600 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed “Structure of the Global Offering”.

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares to be converted from Domestic Shares) as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below occurs at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their absolute discretion may, by giving notice to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

- (a) there develops, occurs, exists or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, China, the United States, the United Kingdom, the European

UNDERWRITING

- Union (or any member thereof), Japan, or other jurisdictions relevant to our Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
- (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
 - (iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
 - (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or
 - (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
 - (vi) other than with the prior written consent of the Overall Coordinators, 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 upon any requirement or request of the Stock Exchange and/or the SFC; or
 - (vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of our Group or a director or a senior management member of any member of our Group or announcing an intention to take any such action; or
 - (viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

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- (ix) any valid demand by creditors for payment or repayment 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; or
- (x) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xi) 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 or any Controlling Shareholder or any Director or senior management members as named in this prospectus; or
- (xii) any contravention by any member of our Group or any Director of the Listing Rules or applicable laws; or
- (xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus;

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) or any of them: (1) has or will or may have any material adverse change or effect, whether directly or indirectly, or any development involving a prospective material adverse change or effect, in or affecting (i) the assets, liabilities, business, properties, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition (financial, operational or otherwise) or performance of our Company or our Group as a whole, and (ii) the ability of our Company to perform its obligations under the Hong Kong Underwriting Agreement, the International Underwriting Agreement and the Operative Documents (as defined in the Hong Kong Underwriting Agreement), including the issuance and sale of the Offer Shares, or to consummate the transactions contemplated under this prospectus (collectively “**Material Adverse Change**”); or (2) has or will have or could reasonably expected to have a Material Adverse Change on the success or marketability of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest or the distribution of the Offer Shares under the International Offering; or (3) makes or will make or may make it inadvisable or inexpedient or impracticable or incapable or not commercially viable for the Global Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (4) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) any of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) shall become aware of the fact that, or have reasonable cause to believe that:
 - (i) any statement contained in any of the Offering Documents, the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) and/or any notices, announcements, advertisements, communications or other documents 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 “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

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- (ii) 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 or misstatement in any Global Offering Document; or
- (iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (v) any breach of any of the obligations or undertakings imposed upon our Company or any of Mr. Zhan, Mr. Han Songguang, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership (the “**Warranting Shareholders**”) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (vii) that the Chairman of the Board, any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (viii) any Director or any member of senior management of our Company named in this prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (ix) our Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (x) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xi) any person (other than any of 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; or
- (xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xiii) any person (other than the Joint Sponsors and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (xiv) an order or petition is presented for the winding-up or liquidation of any member of our Group, or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or
- (xv) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

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- (xvi) that a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders has not been received or settled in the stipulated time and manner or otherwise.

Undertaking to the Stock Exchange pursuant to the Listing Rules

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the Listing Date (whether or not such issue of Shares or securities, or sale or transfer of treasury shares will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertaking by our Controlling Shareholders

Pursuant to Rules 10.07 and 18C.13 of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, it/he/she shall not and shall procure that the relevant registered Shareholder(s) controlled by it/him/her shall not, in the period commencing on the date by reference to which disclosure of its/his/her shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of, any of our securities that it/he/she is shown to beneficially own in this prospectus.

Each of our Controlling Shareholders has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his/her shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will: (a) when it/he/she pledges or charges any securities in our Company beneficially owned by it/him/her in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it/he/she receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him/her will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By the Key Persons

Pursuant to Rule 18C.14(1) of the Listing Rules, each of the key persons and their close associates (the “**Key Persons**”), comprising Mr. Zhan, Mr. Han Songguang, Mr. Su Xiaosheng, Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership, has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, it/he/she shall not and shall procure that its/his/her respective close associates and the relevant registered Shareholder(s) controlled by it/him/her shall not, in the period commencing on the date by reference to which disclosure of its/his/her shareholdings (or its/his/her respective close associate’s shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing

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Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it/he/she (or its/his/her respective close associate, if applicable) is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Key Persons has further irrevocably and unconditionally undertaken to us and the Stock Exchange, and shall procure its/his/her respective close associates, that within the period commencing on the date by reference to which disclosure of its/his/her shareholdings (or its/his/her respective close associate's shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will: (a) when it/he/she (or its/his/her respective close associate) pledges or charges any securities in our Company beneficially owned by it/him/her (or by its/his/her respective close associate) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it/he/she (or its/his/her respective close associate) receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him/her (or by its/his/her respective close associate) will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Key Persons and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By Pathfinder SIIs

Pursuant to Rule 18C.14(2) of the Listing Rules, each of the Pathfinder SIIs has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, it shall not, and shall procure that the relevant registered holder(s) shall not, in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Pathfinder SIIs has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, it will: (a) when it pledges or charges any securities in our Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Pathfinder SIIs and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

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Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertaking by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMIs and the Hong Kong Underwriters that except pursuant to the Global Offering, at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-Month Period**”), it will not, and will procure that other members of our Group will not without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue, repurchase or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase any legal or beneficial interest in the H shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represents 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 ownership (legal or beneficial) of H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares or other securities of our Company); 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, contract to or agree to or announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) is to be settled by delivery of H Shares or other securities of our Company, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six-Month Period). In the event our Company is allowed to enter into any of the transactions described in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), we will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

The Warranting Shareholders have undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it/he/she shall procure our Company to comply with the above undertakings.

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Undertaking by Warranting Shareholders

The Warranting Shareholders have undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMI and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) he/she/it will not, and will procure that none of relevant registered holder(s), any nominee or trustee holding on trust for it/him/her or the relevant affiliates, close associates or companies controlled by it/him/her will, at any time during period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 12 months after the Listing Date (the “**12-months Period**”), (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing) (the “**Locked-up Securities**”), or deposit any H Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of our Company or in cash or otherwise, and whether or not the transactions will be completed within the 12-months Period; and
- (b) at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, it will (i) if and when it or the relevant registered holder(s) pledges or charges any Locked-up Securities, immediately inform our Company in writing of such pledge or charge together with the number of Locked-up Securities so pledged or charged; and (ii) if and when it or the relevant registered holder(s) receives any indication, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities will be disposed of, immediately inform our Company in writing of such indications.

Hong Kong Underwriters’ Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of our Company or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

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The International Offering

International Underwriting Agreement

In connection with the International Offering, our Company and each of our Controlling Shareholders expect to enter into the International Underwriting Agreement with the Joint Sponsor-OCs and the International Underwriters on or around Monday, 6 July 2026. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds to the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or terminated, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering” in this prospectus.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 3% of the aggregate Offer Price of all the Offer Shares (the “**Fixed Fee**”), out of which they will pay any sub-underwriting commissions and other fees.

Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or the Capital Market Intermediaries an incentive fee of up to 2.5% of the aggregate Offer Price of all the Offer Shares (the “**Discretionary Fee**”). The ratio of the Fixed Fee and the Discretionary Fee payable to all Underwriters is therefore approximately 54.55:45.45.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions payable by our Company to the Underwriters in relation to the Global Offering (based on the Offer Price of HK\$21.66 per Offer Share and assuming the full payment of the discretionary incentive fee) will be approximately HK\$33.46 million.

The aggregate underwriting commissions and incentive fees together with the Stock Exchange listing fees, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK\$79.29 million (based on the Offer Price of HK\$21.66 per Offer Share and assuming the full payment of the discretionary incentive fee) and will be paid by our Company.

Joint Sponsors’ Fee

An amount of US\$1.1 million is payable by our Company as sponsor fee to the Joint Sponsors.

Indemnity

Each of our Company and our Controlling Shareholders has agreed to indemnify the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters, the Joint Sponsor-OCs, the Overall Coordinators, the Capital Market Intermediaries for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company and our Controlling Shareholders of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilising process.

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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, loan financing, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities, co-investments and/or instruments of or with our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Company's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, loan financing and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

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No stabilising manager will be appointed, and it is anticipated that no stabilisation activities will be carried out in relation to the Global Offering.

JOINT SPONSORS' INDEPENDENCE

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

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THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The Listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus.

28,087,000 Offer Shares (subject to reallocation) will initially be made available under the Global Offering comprising (a) the Hong Kong Public Offering as described in “— The Hong Kong Public Offering” below; and (b) the International Offering in offshore transactions in reliance on Regulation S, as described in “— The International Offering” in this section below.

Investors may either: (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 9.20% of the enlarged issue share capital of our Company immediately after completion of the Global Offering.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Subject to reallocation as mentioned below, our Company is initially offering 1,404,400 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 5% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.46% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering.

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 that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in “— Conditions of the Global Offering” in this section below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could 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 Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided into two pools: pool A and pool B (with any odd lot being allocated to pool A). Pool A will initially comprise 702,200 Hong Kong Offer Shares and pool B will initially comprise 702,200 Hong Kong Offer Shares, both of which are available on a fair basis to successful applicants. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million

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(excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor. Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 702,200 Hong Kong Offer Shares (being 50% of the total number of Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

If the International Offering is fully subscribed or oversubscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 10 times or more but less than 50 times, and (b) 50 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 2,808,800 Offer Shares (in the case of (a)), and 5,617,400 Offer Shares (in the case of (b)), representing approximately 10% and 20% of the total number of Offer Shares initially available under the Global Offering, respectively, reallocation being referred to in this prospectus as “Mandatory Reallocation”.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In addition to any mandatory reallocation required as described above, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Overall Coordinators. The Overall Coordinators may, according to the relevant Listing Rules and the Guide for New Listing Applicants, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 10 times of the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, the Overall Coordinators have the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as it deems appropriate, provided that in accordance with paragraph 9 of Chapter 4.14 of the Guide for New Listing Applicants, (i) the

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number of International Offer Shares reallocated to the Hong Kong Public Offering should not exceed 1,404,400 Offer Shares, increasing the total number of Offer Shares available under the Hong Kong Public Offering to 2,808,800 Offer Shares, representing double of the Offer Shares initially available under the Hong Kong Public Offering; and (ii) the final Offer Price should be fixed at the Offer Price (i.e. HK\$21.66 per Offer Share) stated in this prospectus.

If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate.

Details of any reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement which is expected to be published at or before 11:00 p.m. on Tuesday, 7 July 2026.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or taken up, or indicated an interest for, any International Offer Shares under the International Offering. Such applicant's application under International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to the application channels), the Offer Price of HK\$21.66 per Offer Share in addition to the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$4,375.69 for one board lot of 200 H Shares. See "How to Apply for Hong Kong Offer Shares" for further details.

THE INTERNATIONAL OFFERING

Number of International Offer Shares initially offered

The International Offering will consist of an offering of initially 26,682,600 H Shares being offered by our Company and representing approximately 95% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 8.74% of the total Shares in issue immediately following the completion of the Global Offering.

Allocation

The International Offering will include selective marketing of H Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States 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 that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H 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 the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall

STRUCTURE OF THE GLOBAL OFFERING

Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of 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 clawback arrangement described in the paragraph headed “— The Hong Kong Public Offering — Reallocation” in this section above and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING AND ALLOCATION

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 about, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK\$21.66 per Offer Share unless otherwise announced. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to the application channels), the Offer Price of HK\$21.66 per Offer Share plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$4,375.69 for one board lot of 200 H Shares.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of our Company, reduce the number of Offer Shares offered that is stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, 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, cause to be published on the websites of our Company and the Stock Exchange at www.reconova.com and www.hkexnews.hk, respectively, notices of the reduction in the number of Offer Shares being offered under the Global Offering. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares will be final and conclusive.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, our Company is required to cancel the Global Offering and relaunch the offer and issue a supplemental prospectus or a new prospectus. The Global Offering must first be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

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In the event of a reduction in the number of Offer Shares, the Hong Kong Offer Shares and the International Offer Shares may be reallocated as between the Hong Kong Public Offering and International Offering at the discretion of the Overall Coordinators, provided that the number of the initial Hong Kong Offer Shares shall not be less than 5% of the total number of Offer Shares in the Global Offering.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on Monday, 6 July 2026.

These underwriting arrangements, including the Underwriting Agreements, are summarised in “Underwriting”.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been revoked prior to the commencement of trading of the H Shares on the Stock Exchange;
- (b) the execution and delivery of the International Underwriting Agreement on or about Monday, 6 July 2026; and
- (c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

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 dates and times 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 websites of our Company and the Stock Exchange at www.reconova.com and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out 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 the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Wednesday, 8 July 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

STRUCTURE OF THE GLOBAL OFFERING

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, 8 July 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, 8 July 2026.

The H Shares will be traded in board lots of 200 Shares each and the stock code of the H shares will be 7656.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.reconova.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: (a) are 18 years of age or older; (b) have a Hong Kong address (*for the **HK eIPO White Form** service only*); and (c) are outside the United States (within the meaning of Regulation S).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to our Company, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for: (a) are an existing Shareholder or its close associates; (b) are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, 29 June 2026 and end at 12:00 noon on Friday, 3 July 2026 (Hong Kong time). To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, 29 June 2026 to 11:30 a.m. on Friday, 3 July 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, 3 July 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorised to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorised the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. HKID card; or
 - ii. National identification document; or
 - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)² as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
 - i. LEI registration document; or
 - ii. Certificate of incorporation; or
 - iii. Business registration certificate; or
 - iv. Other equivalent document; and
- Identity document number

HOW TO APPLY FOR HONG KONG OFFER SHARES

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4¹ 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: (a) control the composition of the board of directors of the company; (b) control more than half of the voting power of the company; or (c) hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the 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

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$21.66 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.

¹ Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application/ successful allotment HK\$
200	4,375.69	4,000	87,513.77	60,000	1,312,706.47	300,000	6,563,532.34
400	8,751.37	5,000	109,392.20	70,000	1,531,490.88	350,000	7,657,454.39
600	13,127.06	6,000	131,270.64	80,000	1,750,275.29	400,000	8,751,376.45
800	17,502.76	7,000	153,149.09	90,000	1,969,059.69	450,000	9,845,298.50
1,000	21,878.43	8,000	175,027.53	100,000	2,187,844.11	500,000	10,939,220.56
1,200	26,254.13	9,000	196,905.96	120,000	2,625,412.93	600,000	13,127,064.65
1,400	30,629.82	10,000	218,784.41	140,000	3,062,981.75	702,200 ⁽¹⁾	15,363,041.34
1,600	35,005.51	20,000	437,568.83	160,000	3,500,550.58		
1,800	39,381.19	30,000	656,353.22	180,000	3,938,119.40		
2,000	43,756.88	40,000	875,137.64	200,000	4,375,688.22		
3,000	65,635.32	50,000	1,093,922.05	250,000	5,469,610.28		

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “ — *A. Application for Hong Kong Offer Shares — 3. Information Required to Apply.*” If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Relevant Persons, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— G. Personal Data — 3. Purposes” and “— G. Personal Data — 4. Transfer of personal data”;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results”;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares”;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) 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, supervisors, 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, supervisors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
	Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website	From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function	24 hours, from 11:00 p.m. on Tuesday, 7 July 2026 to 12:00 midnight on Monday, 13 July 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result	
	The Stock Exchange’s website at www.hkexnews.hk and our website at www.reconova.com which will provide links to the above mentioned websites of the H Share Registrar	No later than 11:00 p.m. on Tuesday, 7 July 2026 (Hong Kong time)
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Wednesday, 8 July 2026 to Monday, 13 July 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Monday, 6 July 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, 6 July 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the level of indications of interest in the Global 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.reconova.com by no later than 11:00 p.m. on Tuesday, 7 July 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 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 Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

HOW TO APPLY FOR HONG KONG OFFER SHARES

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Wednesday, 8 July 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate³		
For application of 500,000 Hong Kong Offer Shares or more	Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong Time: 9:00 a.m. to 1:00 p.m. on Wednesday, 8 July 2026 (Hong Kong time) If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation’s chop Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar <i>Note:</i> 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 of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an “extreme conditions” announcement issued after a super typhoon in force in Hong Kong in the morning on Tuesday, 7 July 2026 rendering it impossible for the relevant H Share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. See “— E. Bad Weather Arrangements.”

HOW TO APPLY FOR HONG KONG OFFER SHARES

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 500,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
	Date: Tuesday, 7 July 2026	
Refund mechanism for surplus application monies paid by you		
Date	Wednesday, 8 July 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	HK eIPO White Form e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to 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 Friday, 3 July 2026 if, there is: (a) a tropical cyclone warning signal number 8 or above; (b) a black rainstorm warning; and/or (c) 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 Friday, 3 July 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.reconova.com of the revised timetable.

If a **Severe Weather Signal** is hoisted on Tuesday, 7 July 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Wednesday, 8 July 2026.

If a **Severe Weather Signal** is hoisted on Tuesday, 7 July 2026:

- for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of Tuesday, 7 July 2026 or on Wednesday, 8 July 2026).

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a **Severe** Weather Signal is hoisted on Wednesday, 8 July 2026:

- for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, 8 July 2026 or on Thursday, 9 July 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed “Corporate information” in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this Prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF RECONOVA TECHNOLOGIES CO., LTD., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, CCB INTERNATIONAL CAPITAL LIMITED, AND ABCI CAPITAL LIMITED

Introduction

We report on the historical financial information of Reconova Technologies Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-71, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, 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-71 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 29 June 2026 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Historical Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
29 June 2026

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023 RMB'000	2024 RMB'000	2025 RMB'000
REVENUE	5	242,375	395,182	442,955
Cost of sales		<u>(143,551)</u>	<u>(237,949)</u>	<u>(275,864)</u>
Gross profit		98,824	157,233	167,091
Other income and gains	5	9,918	11,903	9,733
Selling and distribution expenses		(39,972)	(41,344)	(39,507)
Administrative expenses		(42,731)	(43,848)	(54,443)
Research and development costs		(46,636)	(53,136)	(71,898)
Impairment losses on financial assets and contract assets, net		(9,825)	(18,913)	(70,054)
Other expenses		(763)	(1,663)	(4,081)
Finance costs	7	<u>(1,392)</u>	<u>(1,944)</u>	<u>(4,990)</u>
PROFIT/(LOSS) BEFORE TAX	6	(32,577)	8,288	(68,149)
Income tax expense	10	<u>—</u>	<u>—</u>	<u>—</u>
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>(32,577)</u>	<u>8,288</u>	<u>(68,149)</u>
Attributable to:				
Owners of the parent		(29,433)	9,714	(67,223)
Non-controlling interests		<u>(3,144)</u>	<u>(1,426)</u>	<u>(926)</u>
		<u>(32,577)</u>	<u>8,288</u>	<u>(68,149)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>(0.11)</u>	<u>0.04</u>	<u>(0.25)</u>

For the details of pre-IPO investments, please refer to Note 28 to this report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	13	9,427	6,446	4,129
Right-of-use assets	14	6,501	2,422	11,824
Intangible assets	15	2,560	2,268	2,177
Contract assets	19	56	998	4,545
Prepayments, receivables and other assets	18	<u>9,244</u>	<u>935</u>	<u>1,489</u>
Total non-current assets		<u>27,788</u>	<u>13,069</u>	<u>24,164</u>
CURRENT ASSETS				
Inventories	16	30,180	23,889	19,308
Trade and bills receivables	17	174,513	307,198	586,599
Contract assets	19	1,242	3,177	4,489
Prepayments, receivables and other assets	18	11,621	15,817	8,025
Financial assets at fair value through profit or loss	20	812	973	1,128
Cash and cash equivalents	21	<u>10,661</u>	<u>54,678</u>	<u>38,136</u>
Total current assets		<u>229,029</u>	<u>405,732</u>	<u>657,685</u>
CURRENT LIABILITIES				
Trade payables	22	64,252	166,117	319,139
Other payables and accruals	23	24,747	43,242	82,500
Lease liabilities	14	7,410	3,420	6,086
Interest-bearing bank and other borrowings	25	36,173	76,222	151,250
Contract liabilities	24	6,771	3,743	2,237
Deferred Income	26	<u>—</u>	<u>—</u>	<u>2,950</u>
Total current liabilities		<u>139,353</u>	<u>292,744</u>	<u>564,162</u>
NET CURRENT ASSETS		<u>89,676</u>	<u>112,988</u>	<u>93,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>117,464</u>	<u>126,057</u>	<u>117,687</u>

continued/...

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	25	812	610	—
Lease liabilities	14	1,155	1,042	6,926
Provision	27	<u>1,899</u>	<u>2,519</u>	<u>3,202</u>
Total non-current liabilities		<u>3,866</u>	<u>4,171</u>	<u>10,128</u>
Net assets		<u>113,598</u>	<u>121,886</u>	<u>107,559</u>
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	28	54,660	54,660	—
Share capital	28	—	—	55,441
Reserves	29	<u>64,322</u>	<u>74,036</u>	<u>59,854</u>
		118,982	128,696	115,295
Non-controlling interests		<u>(5,384)</u>	<u>(6,810)</u>	<u>(7,736)</u>
Total equity		<u>113,598</u>	<u>121,886</u>	<u>107,559</u>

For the details of pre-IPO investments, please refer to Note 28 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent				Non-controlling interests RMB'000	Total equity RMB'000
	Paid-in capital RMB'000 (note 28)	Capital reserve RMB'000 (note 29)	Share-based payment reserve RMB'000 (note 30)	Accumulated losses RMB'000		
As at 1 January 2023	54,660	640,036	23,299	(573,435)	(4,427)	140,133
Loss for the year	—	—	—	(29,433)	(3,144)	(32,577)
Total comprehensive loss for the year	—	—	—	(29,433)	(3,144)	(32,577)
Reorganisation between subsidiaries and partial disposal of a subsidiary (note 1(d))	—	(147)	—	—	2,187	2,040
Equity-settled share award arrangements	—	—	4,002	—	—	4,002
Vesting of share award arrangements (note 30)	—	27,301	(27,301)	—	—	—
As at 31 December 2023	<u>54,660</u>	<u>667,190*</u>	<u>—*</u>	<u>(602,868)*</u>	<u>(5,384)</u>	<u>113,598</u>

continued/...

Year ended 31 December 2024

	Attributable to owners of the parent				Non-controlling interests RMB'000	Total equity RMB'000
	Paid-in capital RMB'000 (note 28)	Capital reserve RMB'000 (note 29)	Share-based payment reserve RMB'000 (note 30)	Accumulated losses RMB'000		
As at 1 January 2024	54,660	667,190	—	(602,868)	(5,384)	113,598
Profit for the year	—	—	—	9,714	(1,426)	8,288
Total comprehensive income for the year	—	—	—	9,714	(1,426)	8,288
As at 31 December 2024	<u>54,660</u>	<u>667,190*</u>	<u>—*</u>	<u>(593,154)*</u>	<u>(6,810)</u>	<u>121,886</u>

Year ended 31 December 2025

	Attributable to owners of the parent				Accumulated losses RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Paid-in capital RMB'000 (note 28)	Share capital RMB'000 (note 28)	Capital reserve RMB'000 (note 29)	Share-based payment reserve RMB'000 (note 30)			
As at 1 January 2025	54,660	—	667,190	—	(593,154)	(6,810)	121,886
Loss for the year	—	—	—	—	(67,223)	(926)	(68,149)
Total comprehensive income for the year	—	—	—	—	(67,223)	(926)	(68,149)
Capital contribution by shareholders, deducted transaction cost	—	781	47,734	—	—	—	48,515
Conversion into a joint stock company	(54,660)	54,660	(527,114)	—	527,114	—	—
Equity-settled share awards arrangements (note 30)	—	—	—*	5,307*	*	—	5,307
As at 31 December 2025	—	55,441	187,810	5,307	(133,263)	(7,736)	107,559

* The reserve accounts comprise the consolidated reserves of RMB64,322,000, RMB74,036,000 and RMB59,854,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	6	(32,577)	8,288	(68,149)
Adjustments for:				
Impairment of trade receivables	17	9,679	18,196	68,824
Impairment for prepayments, receivables and other assets	18	239	447	527
Impairment/(Reversal of impairment) of contract assets	19	(93)	270	703
Write-down/(Reversal of write-down) of inventories to net realisable value		2,135	(946)	2,861
Depreciation of items of property, plant and equipment	13	4,890	4,797	3,079
Depreciation of right-of-use assets	14	8,153	6,076	5,783
Amortisation of intangible assets	15	465	467	472
Investment income from financial assets at fair value through profit or loss	5	(367)	4	—
Gain on waive of lease liability by the lessor		—	—	(395)
Gain on disposal or lease modification of right-of-use assets	6	(222)	(89)	(210)
Equity-settled share award expenses	6	4,002	—	5,307
Fair value gains on financial assets at fair value through profit or loss	5	(2)	(15)	(5)
Loss on disposal of items of property, plant and equipment	6	6	137	585
Foreign exchange differences, net		(9)	—	4
Finance costs	7	1,392	1,944	4,990
Interest income	5	(239)	(126)	(9)
Finance income on the net investment in a lease		(6)	(22)	(1)
		<u>(2,554)</u>	<u>39,428</u>	<u>24,366</u>

continued/...

	Year ended 31 December			
	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
Decrease in inventories		39,102	7,237	1,720
Increase in trade and bills receivables		(149,707)	(150,980)	(348,225)
Decrease in prepayments, other receivables and other assets		17,607	3,342	8,535
Decrease in debt investments at fair value through other comprehensive income		12,350	—	—
Increase/(decrease) in contract assets		226	(3,142)	(5,562)
Increase in trade and bills payables		33,842	101,865	153,022
Decrease in contract liabilities		(14,501)	(3,027)	(1,506)
Increase in other payables and accruals		637	17,712	38,791
Increase/(decrease) in deferred income		(582)	—	2,950
Increase/(decrease) in provision		(14)	620	683
Cash generated from/(used in) operations		<u>(63,594)</u>	<u>13,055</u>	<u>(125,226)</u>
Interest received		239	126	9
Net cash flows from/(used in) operating activities		<u>(63,355)</u>	<u>13,181</u>	<u>(125,217)</u>

continued/...

	Year ended 31 December			
	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		23	92	11
Purchase of items of property, plant and equipment		(901)	(2,046)	(1,358)
Purchase of financial assets measured at fair value through profit or loss		(36,631)	(1,715)	(1,000)
Proceeds from disposal of financial assets at fair value through profit or loss		61,742	1,565	850
Purchase of items of intangible assets		(1)	(175)	(381)
Net cash flows from/(used in) investing activities		<u>24,232</u>	<u>(2,279)</u>	<u>(1,878)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank and other borrowings		37,094	78,365	152,201
Repayment of bank and other borrowings		(14,487)	(38,419)	(78,820)
Loans from related parties		—	24,933	8,588
Repayment of related party loans		(150)	(24,150)	(8,006)
Principal portion of lease payments		(9,692)	(6,607)	(6,558)
Interest and other finance costs paid		(924)	(1,727)	(3,425)
Proceed from sublessor in sublease arrangements		162	848	130
Cash from discounted bills		100	—	—
Proceeds from issue of shares		—	—	50,000
Payment for deferred listing expenses		—	(128)	(2,068)
Transaction cost related to issuance of shares		—	—	(1,485)
Net cash flows from financing activities		<u>12,103</u>	<u>33,115</u>	<u>110,557</u>

continued/...

	<i>Note</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(27,020)	44,017	(16,538)
Cash and cash equivalents at beginning of year		37,672	10,661	54,678
Effect of foreign exchange rate changes, net		<u>9</u>	<u>—</u>	<u>(4)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>10,661</u>	<u>54,678</u>	<u>38,136</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		<u>10,661</u>	<u>54,678</u>	<u>38,136</u>
Cash and cash equivalents as stated in the consolidated statements of financial position	22	<u>10,661</u>	<u>54,678</u>	<u>38,136</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 December		
		2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	13	4,229	3,889	2,613
Right-of-use assets	14	2,568	2,038	8,410
Intangible assets	15	1,942	1,848	1,827
Investments in subsidiaries	32	46,473	46,473	46,473
Prepayments, receivables and other assets	18	8,585	829	886
Contract assets	19	56	998	4,417
Total non-current assets		<u>63,853</u>	<u>56,075</u>	<u>64,626</u>
CURRENT ASSETS				
Inventories	16	18,031	18,494	16,385
Trade and bills receivables	17	292,775	406,273	609,383
Contract assets	19	1,241	3,169	4,489
Prepayments, receivables and other assets	18	14,007	24,926	18,186
Cash and cash equivalents	21	<u>5,566</u>	<u>53,069</u>	<u>29,460</u>
Total current assets		<u>331,620</u>	<u>505,931</u>	<u>677,903</u>
CURRENT LIABILITIES				
Trade payables	22	45,349	126,471	211,006
Other payables and accruals	23	16,457	32,919	62,779
Interest-bearing bank and other borrowings	25	32,534	68,512	128,522
Contract liabilities	24	3,580	2,435	1,127
Lease liabilities	14	3,100	1,840	4,320
Deferred income	26	—	—	2,950
Total current liabilities		<u>101,020</u>	<u>232,177</u>	<u>410,704</u>

continued/...

	<i>Notes</i>	As at 31 December		
		2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
NET CURRENT ASSETS		<u>230,600</u>	<u>273,754</u>	<u>267,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>294,453</u>	<u>329,829</u>	<u>331,825</u>
NON-CURRENT LIABILITIES				
Lease liabilities	14	680	1,042	4,909
Provision	27	<u>1,753</u>	<u>1,102</u>	<u>994</u>
Total non-current liabilities		<u>2,433</u>	<u>2,144</u>	<u>5,903</u>
Net assets		<u>292,020</u>	<u>327,685</u>	<u>325,922</u>
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	28	54,660	54,660	—
Share capital	28	—	—	55,441
Reserves	29	<u>237,360</u>	<u>273,025</u>	<u>270,481</u>
Total equity		<u>292,020</u>	<u>327,685</u>	<u>325,922</u>

1. CORPORATE INFORMATION

Reconova Technologies Co., Ltd (廈門瑞為信息技術股份有限公司) was established in the People's Republic of China (the "PRC") as a limited liability company on 5 March 2012. The Company was converted into a joint stock company with limited liability in 6 June 2025. The address of the Company's registered office is B1F-112, Zone C, Huaxun Building, Software Park, Torch High-tech Zone, Xiamen, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were primarily engaged in the research and development, design and sale of Visual Intelligentsia, commercial robots and intelligent passage devices.

As at the end of the Relevant Periods, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Company name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct		
Shenzhen Reconova Intelligent Technologies Co., Ltd. (深圳瑞為智能科技有限公司) (note (a))*	PRC/Chinese Mainland 20 November 2014	RMB30,000,000	100%		Manufacture and sale of electronic products
Beijing Deep Sense Technologies Co., Ltd. (北京深感科技有限公司) (note (b))*	PRC/Chinese Mainland 29 October 2015	RMB11,000,000	100%		Manufacture of industrial products
Henan DeepSense Network Technology Co., Ltd. (河南深感網絡科技有限公司) (note (b))*	PRC/Chinese Mainland 2 December 2021	RMB5,000,000	100%		Dormant
Beijing Reconova Xiangtong Technologies Co., Ltd. (北京瑞為祥通科技有限公司) (note (b))*	PRC/Chinese Mainland 5 February 2021	RMB5,000,000	55%		Manufacture of industrial products
Guangdong Mai Ge Er Intelligent Technology Co., Ltd. (廣東麥格爾智能科技有限公司) (note (b))*	PRC/Chinese Mainland 22 December 2020	RMB5,000,000	53%		Manufacture of industrial products
Shenzhen You Dian Smart Co., Ltd. (深圳市優電智能有限公司) (notes (c))(d))*	PRC/Chinese Mainland 6 March 2020	RMB1,000,000	34%		Manufacture and sale of electronic products
Jiaxing Ruiyu Intelligent Technology Co., Ltd. (嘉興瑞昱智能科技有限公司) (notes (b))	PRC/Chinese Mainland 11 August 2020	RMB10,000,000	100%		Dorman

* The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.

Notes:

- The statutory financial statements of this entity for the years ended 31 December 2023 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Shenzhen Shenye Certified Public Accountants (General Partnership) (深圳市深業會計師事務所(普通合夥)), certified public accountants registered in the PRC. As at the date of this report, no audited financial statements of this entity for the year ended 31 December 2024 and 2025 have been prepared.
- No audited financial statements of these entities have been prepared since the date of incorporation as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.
- The statutory financial statements of this entity for the years ended 31 December 2023 prepared under PRC GAAP were audited by Shenzhen Yunxuan Certified Public Accountants (General Partnership) (深圳雲軒會計師事務所(普通合夥)), certified public accountants registered in the PRC. As at the date of this report, no audited financial statements of this entity for the year ended 31 December 2024 and 2025 have been prepared.
- Reorganisation between subsidiaries and partial disposal of a subsidiary.

On 2 September 2023, Guangdong Mai Ge Er Intelligent Technology Co., Ltd. ("Mai Ge Er"), a non-wholly owned subsidiary of the Company, entered into a share transfer agreement with the Company to transfer its 34% share interest in its subsidiary, Shenzhen You Dian Smart Co., Ltd. ("You Dian"), to the Company at a cash consideration of RMB4,080,000.

On 2 September 2023, Mai Ge Er entered into a share transfer agreement with an individual Mr. Ma Jiankang, to transfer its 17% share interest in its subsidiary, You Dian, to Mr. Ma Jiankang at a cash consideration of RMB2,040,000. On 19 September 2023, Mr. Ma entered into a letter of action in concert (the "Letter") with the Company. As agreed in the Letter, the two counterparties had agreed to reach a unanimous consensus among themselves on all matters subject to the shareholder resolutions and to vote unanimously for any resolutions to be passed at the shareholder meeting of You Dian. It is also agreed that in the circumstance when there are different views between the Company and Mr. Ma Jiankang, Mr. Ma Jiankang should adopt and follow the Company's view when voting.

The share transfer agreements and the Letter in combination constituted a reorganisation between subsidiaries and a partial disposal of a subsidiary that did not result in loss control of the subsidiary within the Group. Upon the completion of the transaction, the Company directly hold a 34% share interest in You Dian.

The cash consideration of RMB2,040,000 was settled by offsetting the amounts due to Mr. Ma Jiankang. Further details of the transaction with Mr. Ma Jiankang are included in note 35 to the Historical Financial Information.

The Group's investments in associates and joint ventures

The Group had the following investments in associates and joint ventures at the end of each of the Relevant Periods. All these investments had recorded impairment losses in the reporting period before the Relevant Periods due to the identification of impairment indicator (e.g. on-going operational losses because of unsatisfied business performance, significant delay or postponement on the business development plan). At the end of each of the Relevant Periods, the net carrying amount of the Group's investments in associates and joint ventures was nil.

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in associates and joint ventures			
Original investment	1,991	1,991	1,991
Less: Equity method adjustment and impairment	<u>(1,991)</u>	<u>(1,991)</u>	<u>(1,991)</u>
Net carrying amount	<u>—</u>	<u>—</u>	<u>—</u>

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of redemption rights and liquidation preference rights granted by the Company, which are void ab initio as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 28 of this report.

The financial statements are prepared for the purpose of preparation of financial information for inclusion in the prospectus of the Company in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value.

During the year ended 31 December 2025, the Group incurred net loss of RMB68,149,000 from operation and recorded net cash flows used in operating activities of RMB125,217,000. The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025:

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, the expected renew of certain bank loans when fall due and available bank facilities, and the projected internally generated funds from operations, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due for the next twelve months from 31 December 2025, and accordingly, the Historical Financial Information has been prepared on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangement; and
- (c) the Group's voting rights and potential voting rights.

The financial information of the subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of subsidiaries, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation any reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i>
Annual Improvements to IFRS Accounting Standards — Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of the new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates, estimated useful lives and salvage value rates used for this purpose are as follows:

Category

	Useful life (Years)	Salvage value rate (%)	Annual depreciation rate (%)
Plant and machinery	3 to 10	5	31.67 to 9.5
Furniture, fixtures and office equipment	3 to 5	5	31.67 to 19
Motor vehicles & others	4	5	23.75
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives		

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 4 years.

Research and development costs

All research costs are charged to of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings

1 to 4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate a lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of offices and employee dormitories (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 180 days past due.

The Group considers a financial asset in default when contractual payments are 360 days past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings and redemption liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

The contract fulfilment cost recognised shall be charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract fulfilment cost recognised exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to the provision of those services and that have not been recognised as expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of robots for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customers, generally on delivery and acceptance of the products as agreed in the sales contracts. The Group provides AI software embedded hardware products and integration services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customers. Accordingly, AI software embedded hardware products and related services i.e., the integrated solution, is accounted for as a single performance obligation.

For products applied in intelligent civil aviation business lines, installation is generally not required. The revenue from the sale of products is recognised at the point in time when the products are delivered and accepted by the customers. For products where installation is required, revenue is recognised at the point in time when the control of the assets is transferred to the customers, generally upon the completion of the installation and passing the quality verification by the customers.

For products applied in intelligent driving safety and intelligent commerce business lines, revenue recognised at the point in time when control is transferred to the customer, generally upon the completion of the installation and passing the acceptance report by the customers (if installation is required). For products where no installation is required, revenue is recognised at the point in time when the products are delivered and accepted by the customers.

(b) Maintenance services

The Group provides separate maintenance services to its customers. Each contract contains one performance obligation or promise to provide maintenance service for the customer throughout the service period specified in the contract with the customer. The customer simultaneously receives and consumes the benefit of the Group's provision of maintenance service. The maintenance services is recognised over time on a straight-line basis throughout the service period.

(c) Gross or net revenue recognition

The Group derives revenue through sales of hardware embedded with the Group's self-developed software or programmes as combined product delivery items in the contracts with its customers. The customers of the Group will benefit from the combined functionality of the products and apply the relative functional products. When the contract includes the delivery of combined functional products that are highly interrelated and highly interdependent, the contract generally includes one performance obligation with promise to deliver the combined functional products, and the contract cost is generally allocated to the single performance obligation.

When the Group has control over the combined functional products by involving in the designation, adjustment or modification of the equipment produced by its supplier in order to meet the customers' requirements on the product settings in applicable scenarios and to interrelate the hardware with the Group's software and programmes, the Group has control over the products before transferring the control of combined functional products to its customer, and the Group acts as the principal and recognises revenue in accordance with the total consideration received or receivables. Otherwise, the Group is an agent and recognises revenue in accordance with the amount of commissions it expects to be entitled to receive.

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates share incentive schemes through three share incentive platforms. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of share awards is determined by management by reference to recent equity transaction price of the Company, further details of which are given in note 30.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 FIRST-TIME ADOPTION OF IFRS ACCOUNTING STANDARDS

In preparing these consolidated financial statements, the Group's opening statement of financial position was prepared as at 1 January 2023, being the date of first-time adoption of IFRS Accounting Standards. As the Group has not previously prepared financial statements under any other accounting standards, no reconciliation of the consolidated financial statements is required.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Identifying performance obligations in a bundled sale of industrial products and software

The Group sells industrial products with software installed as combined functional products to its customers. The Group determined that the industrial products together with the software installed are highly interdependent and highly interrelated, resulting in a combined delivery to its customers. The Group would not be able to transfer the software alone to satisfy customers' requirements. Consequently, the Group has allocated the contract transaction price to the combined functional product.

Research and development expenses

All research costs are charged to profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the timing and the amounts of development costs to be capitalised requires the use of judgements and estimation. In the opinion of management, during the Relevant Periods the criteria for capitalisation of development costs were not met and development expenditures were expensed.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 10 to the Historical Financial Information.

Classification of financial assets

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within) and, the way those risks are managed. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, it is necessary for the Group to consider the reason, timing, frequency, and value of sales prior to the maturity date.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each reporting period and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the artificial intelligence. Management estimates the net realisable value of those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions.

The estimation is reassessed at the end of each reporting period. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or future expectations differ from the original estimate, such difference will impact the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 17 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group as a whole for the purpose of making decision on resources allocation and preformation assessment, therefore, no operating segment information is presented.

Geographical information

All operating entities are domiciled in Chinese Mainland. Since the revenues of the Group mainly derived from external customers based in Chinese Mainland during the Relevant Periods and all the Group's non-current assets are located in Chinese Mainland, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods are set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer B	39,986	125,411	*
Customer A	58,138	96,709	*
Customer F	*	45,472	*
Customer C	*	*	63,955
Customer H	*	*	56,361
Customer D	*	*	54,460
Customer I	*	*	47,310
Customer J	*	*	45,044

* The corresponding revenue of these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	242,375	395,182	442,955

Revenue from contracts with customers*(i) Disaggregated revenue information*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Intelligent civil aviation	128,793	228,837	172,395
Intelligent driving safety	30,373	68,978	115,915
Intelligent commerce	81,181	96,982	154,487
Others*	2,028	385	158
	<u>242,375</u>	<u>395,182</u>	<u>442,955</u>
Timing of revenue recognition			
Goods transferred at a point in time	241,996	394,433	442,102
Services transferred over time	379	749	853
	<u>242,375</u>	<u>395,182</u>	<u>442,955</u>
Total	<u>242,375</u>	<u>395,182</u>	<u>442,955</u>

* Others primarily include sales of smart water and electricity metres, power supplies, electronic component and estimate of provision.

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	21,068	2,457	2,174
Total	<u>21,068</u>	<u>2,457</u>	<u>2,174</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

(a) Sale of products

The performance obligation is satisfied upon delivery and receive of the products or installation of the product and payment is generally made within 1 year from delivery, except for certain customers, where a portion of payment in advance is required.

(b) Maintenance services

The performance obligation is satisfied over time as service are render. The customer benefit from the Group's service software maintenance service throughout the service period in the contract. Payment terms and conditions are based on the billing schedules established in the contract with customers.

For the above contracts with customers, they are rendered are in a short period of time, which is generally less than one year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Government grants	8,133	8,574	7,642
Value-added tax reductions and refunds	198	2,374	421
Bank interest income	239	126	9
Investment income from financial assets at fair value through profit or loss	367	(4)	—
Others	757	729	1,051
Total other income	9,694	11,799	9,123
Gains			
Fair value gains on financial assets at fair value through profit or loss	2	15	5
Gain on disposal or lease modification of right-of-use assets	222	89	210
Gain on waive of lease liability by the lessor	—	—	395
Total gains	224	104	610
Total other income and gains	9,918	11,903	9,733

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold***		143,372	237,729	275,505
Cost of services provided***		179	220	359
Research and development expenses		46,636	53,136	71,898
Impairment of financial assets, net:				
Impairment of trade and bills receivables	17	9,679	18,196	68,824
Impairment of financial assets included in prepayments, receivables and other assets	18	239	447	527
Impairment of contract assets	19	(93)	270	703
Write-down/(reversal of write-down) of inventories to net realisable value***		2,135	(946)	2,861
Depreciation of property, plant and equipment*	13	4,890	4,797	3,079
Depreciation of right-of-use assets*	14	8,153	6,076	5,783
Amortisation of intangible assets*	15	465	467	472
Investment income from financial assets at fair value through profit or loss**	5	(367)	4	—
Government grants**	5	(8,133)	(8,574)	(7,642)
Gain on disposal or lease modification of right-of-use assets**	5	(222)	(89)	(210)
Gain on waive of lease liability by the lessor*****	5	—	—	(395)
Loss on disposal of property, plant and equipment****		6	137	585
Bank interest income**	5	(239)	(126)	(9)
Share-based payment expenses		4,002	—	5,307
Interest expenses on lease liabilities	7	468	217	528
Lease payments not included in the measurement of lease liabilities		252	1,392	737
Product warranty provision***	27	538	3,930	1,361
Listing expense		—	519	14,053
Auditor's remuneration		217	1,298	—

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Employee benefit expense (excluding directors' supervisor's and chief executive's remuneration (note 8))				
Wages and salaries		69,155	74,672	55,519
Pension scheme contributions		8,109	7,979	8,183
Equity-settled share-based payments		1,126	—	4,332
Total		<u>290,567</u>	<u>401,751</u>	<u>512,360</u>

* The depreciation of property, plant and equipment, amortisation of intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss.

** The amounts are included in "other income and gains" in profit or loss.

*** The amounts are included in "cost of sales" in profit or loss.

**** The amounts are included in "other expense" in profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank loans, overdrafts and other loans	924	1,727	4,462
Interest on lease liabilities	468	217	528
Total	<u>1,392</u>	<u>1,944</u>	<u>4,990</u>

For the details of pre-IPO investments, please refer to Note 28 to this report.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of each of the Company's directors, chief executive, supervisors and non-executive directors are set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees:	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	3,711	4,198	2,967
Performance related bonuses	1,743	1,260	225
Share-based payment expenses	2,876	—	975
Total	<u>8,330</u>	<u>5,458</u>	<u>4,167</u>

(a) Independent non-executive directors

In June 2025, Mr. Sun Xiaobei, Ms. Gu Wenbo and Mr. Tang Ke were appointed as the Independent non-executive directors of the Company.

Year ended 31 December 2025

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance Related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Independent non-executive directors							
Mr. Sun Xiaobei	(xvi)	—	76	—	—	—	76
Ms. Gu Wenbo	(xvii)	—	—	—	—	—	—
Mr. Tang Ke	(xviii)	—	76	—	—	—	76
		—	152	—	—	—	152
Total		—	152	—	—	—	152

(b) Executive directors, the chief executive, supervisors and the non-executive directors

Year ended 31 December 2023

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive directors, and chief executive:							
Mr. Zhan Donghui	(i)	—	360	109	—	—	469
Mr. Han Songguang	(ii)	—	360	6	—	—	366
Ms. Li Jia	(iii)	—	—	—	—	—	—
Ms. Zhan Hongmei	(v)	—	345	364	—	—	709
Mr. Su Xiaosheng	(vi)	—	640	660	—	2,876	4,176
Mr. He Yifan	(vii)	—	557	239	—	—	796
Mr. Jia Baozhi	(viii)	—	561	293	—	—	854
Mr. Lu Lei	(ix)	—	408	72	—	—	480
Ms. Huang Yingjun	(x)	—	—	—	—	—	—
Mr. Zhang Yi	(xi)	—	—	—	—	—	—
Ms. Li Jing	(xii)	—	—	—	—	—	—
Mr. Huang Hui	(xiii)	—	—	—	—	—	—
Mr. Tan Xiaohong	(xiv)	—	—	—	—	—	—
		—	3,231	1,743	—	2,876	7,850
Supervisor:							
Mr. Yu Miao	(xv)	—	480	—	—	—	480
Total		—	3,711	1,743	—	2,876	8,330

Year ended 31 December 2024

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive directors, and chief executive:							
Mr. Zhan Donghui	(i)	—	440	200	—	—	640
Mr. Han Songguang	(ii)	—	356	—	—	—	356
Ms. Li Jia	(iii)	—	—	—	—	—	—
Ms. Zhan Hongmei	(v)	—	477	—	—	—	477
Mr. Su Xiaosheng	(vi)	—	725	660	—	—	1,385
Mr. He Yifan	(vii)	—	667	140	—	—	807
Mr. Jia Baozhi	(viii)	—	667	228	—	—	895
Mr. Lu Lei	(ix)	—	476	32	—	—	508
Ms. Huang Yingjun	(x)	—	—	—	—	—	—
Mr. Zhang Yi	(xi)	—	—	—	—	—	—
Ms. Li Jing	(xii)	—	—	—	—	—	—
Mr. Huang Hui	(xiii)	—	—	—	—	—	—
Mr. Tan Xiaohong	(xiv)	—	—	—	—	—	—
		—	3,808	1,260	—	—	5,068
Supervisor:							
Mr. Yu Miao	(xv)	—	390	—	—	—	390
Total		—	4,198	1,260	—	—	5,458

Year ended 31 December 2025

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive directors, and chief executive:							
Mr. Zhan Donghui	(i)	—	600	200	—	975	1,775
Mr. Han Songguang	(ii)	—	357	25	—	—	382
Ms. Li Jia	(iii)	—	—	—	—	—	—
Mr. Chen Gen	(iv)	—	—	—	—	—	—
Ms. Zhan Hongmei	(v)	—	240	—	—	—	240
Mr. Su Xiaosheng	(vi)	—	360	—	—	—	360
Mr. He Yifan	(vii)	—	350	—	—	—	350
Mr. Jia Baozhi	(viii)	—	353	—	—	—	353
Mr. Lu Lei	(ix)	—	250	—	—	—	250
Ms. Huang Yingjun	(x)	—	—	—	—	—	—
Mr. Zhang Yi	(xi)	—	—	—	—	—	—
Ms. Li Jing	(xii)	—	—	—	—	—	—
Mr. Huang Hui	(xiii)	—	—	—	—	—	—
Mr. Tan Xiaohong	(xiv)	—	—	—	—	—	—
		—	2,510	225	—	975	3,710
Supervisors:							
Mr. Yu Miao	(xv)	—	305	—	—	—	305
Total		—	2,815	225	—	975	4,015

Notes:

- (i) Mr. Zhan Dong hui was appointed as the chief executive officer of the Company with effect from March 2012.
- (ii) Mr. Han Song Guang was appointed as a director in March 2018 and was redesignated as an executive Director in June 2025.

- (iii) Ms. Li Jia was appointed as an executive director of the Company with effect from August 2022 and was redesignated as a non-executive director in June 2025.
- (iv) Mr. Chen Gen was appointed as a Director of our Company in April 2025 and was redesignated as a non-executive Director in June 2025.
- (v) Ms. Zhan Hongmei was appointed as an executive director with effect from August 2022 and was resigned in June 2025.
- (vi) Mr. Su Xiaosheng was appointed as an executive director with effect from March 2018 and was resigned in June 2025.
- (vii) Mr. He Yifan was appointed as an executive director with effect from November 2020 and was resigned in June 2025.
- (viii) Mr. Jia Bao Zhi was appointed an executive director with effect from August 2022 and was resigned in June 2025.
- (ix) Mr. Lu Lei was appointed as an executive director with effect from March 2018 and was resigned in May 2025.
- (x) Ms. Huang Ying Jun was appointed as an executive director of the Company with effect from November 2020 and was resigned in May 2025.
- (xi) Mr. Zhang Yi was appointed as an executive director with effect from March 2018 and was resigned in June 2025.
- (xii) Ms. Li Jing was appointed as an executive director of the Company with effect from March 2018 and was resigned in June 2025.
- (xiii) Mr. Huang Hui was appointed as an executive director of the Company with effect from August 2022 and was resigned in June 2025.
- (xiv) Mr. Tan Xiao Hong was appointed as an executive director of the Company with effect from August 2022 and was resigned in May 2025.
- (xv) Mr. Yu Miao was appointed as a supervisor with effect from July 2022 and was resigned in June 2025.
- (xvi) Mr. Sun Xiaobei was appointed as an independent non-executive director of the Company.
- (xvii) Ms. Gu Wenbo was appointed as an independent non-executive director of the Company.
- (xviii) Mr. Tang Ke was appointed as an independent non-executive director of the Company.

During the Relevant Periods, certain directors were granted share awards, in respect of his services to the Group, further details of which are set out in note 30 to the Historical Financial Information. The fair value of such awards, which has been recognized in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for each of the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

(c) Non-executive director

In June 2025, Ms. Li Jia and Mr. Chen Gen were appointed as non-executive directors of the Company.

There were no emoluments payable to the non-executive directors during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included two, two and one directors. Details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three, three and four highest paid employees for the Relevant Periods who are neither a director nor chief executive of the Company during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,698	2,393	2,612
Performance related bonuses	1,213	1,938	1,396
Equity-settled share option expense	—	—	3,271
Total	<u>2,911</u>	<u>4,331</u>	<u>7,279</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000	1	—	—
HK\$1,000,001 to HK\$1,500,000	2	4	—
HK\$1,500,001 to HK\$2,000,000	—	—	3
HK\$2,000,000 to HK\$2,500,000	—	—	—
HK\$2,500,000 to HK\$3,000,000	—	—	1
Total	<u>3</u>	<u>4</u>	<u>4</u>

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits, in accordance with the PRC Income Tax Law and the respective regulations which were approved and became effective on 1 January 2008.

No provision for Chinese Mainland income tax pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law") has been made as the Company and its subsidiaries which operate in Chinese Mainland are in loss position and have no estimated taxable profits.

Reconova Technologies Co., Ltd. and Reconova Technologies ShenZhen Co., Ltd. were approved as "High and New Technology Enterprise" under the relevant tax rules and regulations and accordingly was entitled to a preferential CIT rate of 15% in 2023, 2024 and 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Guangdong Mai Ge Er Intelligent Technology Co., Ltd. and Beijing Deep Sense Technology Co., Ltd. have met the requirement under the relevant tax rules and regulations for small and low-profit enterprises and accordingly, are subject to a reduced preferential CIT at a rate of 20%, and the portion of the annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000 is entitled to be included in the actual taxable income at reduced rates of 25% and the enterprise income tax will be paid at the rate of 20% in 2023, 2024 and 2025.

A reconciliation of the tax expense applicable to loss before tax at the applicable tax rate in Chinese Mainland which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) before tax	(32,577)	8,288	(68,149)
Tax charge/(credit) at the statutory tax rate of 25%	(8,144)	2,072	(17,037)
Effect of different tax rates enacted by local authorities	2,988	(1,196)	6,829
Additional deduction for qualified research and development expenses	(6,210)	(7,444)	(6,958)
Expenses not deductible for tax	220	394	152
Deductible temporary differences and tax losses not recognised	11,146	6,174	17,014
Total	<u>—</u>	<u>—</u>	<u>—</u>

According to the CIT Law, the Company is entitled to additional deduction of qualified research and development expenses from the taxable income. The additional deduction percentage was 100% from 1 October 2022 to 31 December 2025.

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses	637,653	665,054	708,957
Deductible temporary differences	64,500	74,579	143,014
Total	<u>702,153</u>	<u>739,633</u>	<u>851,971</u>

The Group has accumulated tax losses of RMB637,653,000, RMB665,054,000 and RMB708,957,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively, which will expire in one to ten years to offset against future taxable profits of the companies in which losses were incurred. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

11. DIVIDENDS

During the Relevant Periods, no dividends have been paid or declared by the Company.

12. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares outstanding during the Relevant Periods. The weighted average numbers of ordinary shares outstanding for 2023 and 2024 before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in May 2025.

The weighted average number of ordinary shares outstanding for the Relevant Periods presented has been retrospectively adjusted for the effect of the share split approved by the Company's shareholders on 12 June 2025, further details was disclosed in note 28 to the Historical Financial Information.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculation of basic earnings/(loss) per share is based on:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculations (RMB'000)	(29,433)	9,714	(67,223)
Weighted average number of ordinary shares outstanding during the/period, used in the basic earnings/(loss) per share calculation	<u>273,301,595</u>	<u>273,301,595</u>	<u>274,284,188</u>

For the details of pre-IPO investments, please refer to Note 28 to this report.

13. PROPERTY, PLANT AND EQUIPMENT**The Group**

	Plant and machinery RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles & others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023					
At 1 January 2023:					
Cost	1,105	13,428	588	6,013	21,134
Accumulated depreciation	(156)	(5,667)	(555)	(1,311)	(7,689)
Net carrying amount	<u>949</u>	<u>7,761</u>	<u>33</u>	<u>4,702</u>	<u>13,445</u>
At 1 January 2023, net of accumulated depreciation	949	7,761	33	4,702	13,445
Additions	—	746	—	155	901
Disposals	—	(29)	—	—	(29)
Depreciation provided during the year	(130)	(2,721)	(1)	(2,038)	(4,890)
At 31 December 2023, net of accumulated depreciation	<u>819</u>	<u>5,757</u>	<u>32</u>	<u>2,819</u>	<u>9,427</u>
At 31 December 2023					
Cost	1,104	14,084	588	6,168	21,944
Accumulated depreciation	(285)	(8,327)	(556)	(3,349)	(12,517)
Net carrying amount	<u>819</u>	<u>5,757</u>	<u>32</u>	<u>2,819</u>	<u>9,427</u>

	Plant and machinery <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles & others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024					
At 1 January 2024:					
Cost	1,104	14,084	588	6,168	21,944
Accumulated depreciation	(285)	(8,327)	(556)	(3,349)	(12,517)
Net carrying amount	<u>819</u>	<u>5,757</u>	<u>32</u>	<u>2,819</u>	<u>9,427</u>
At 1 January 2024, net of accumulated depreciation					
Additions	—	2,046	—	—	2,046
Disposals	(6)	(195)	(29)	—	(230)
Depreciation provided during the year	(82)	(2,750)	(1)	(1,964)	(4,797)
At 31 December 2024, net of accumulated depreciation	<u>731</u>	<u>4,858</u>	<u>2</u>	<u>855</u>	<u>6,446</u>
At 31 December 2024:					
Cost	1,097	15,506	7	6,168	22,778
Accumulated depreciation	(366)	(10,648)	(5)	(5,313)	(16,332)
Net carrying amount	<u>731</u>	<u>4,858</u>	<u>2</u>	<u>855</u>	<u>6,446</u>
	Plant and machinery <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles & others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025					
At 1 January 2025:					
Cost	1,097	15,506	7	6,168	22,778
Accumulated depreciation	(366)	(10,648)	(5)	(5,313)	(16,332)
Net carrying amount	<u>731</u>	<u>4,858</u>	<u>2</u>	<u>855</u>	<u>6,446</u>
At 1 January 2025, net of accumulated depreciation					
Additions	—	596	498	264	1,358
Disposals	(345)	(251)	—	—	(596)
Depreciation provided during the year	(100)	(2,027)	(41)	(911)	(3,079)
At 31 December 2025, net of accumulated depreciation	<u>286</u>	<u>3,176</u>	<u>459</u>	<u>208</u>	<u>4,129</u>
At 31 December 2025:					
Cost	499	15,082	505	6,432	22,518
Accumulated depreciation	(213)	(11,906)	(46)	(6,224)	(18,389)
Net carrying amount	<u>286</u>	<u>3,176</u>	<u>459</u>	<u>208</u>	<u>4,129</u>

The Company

	Plant and machinery <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles & others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2023					
At 1 January 2023:					
Cost	414	8,001	588	2,026	11,029
Accumulated depreciation	(53)	(4,276)	(555)	(265)	(5,149)
Net carrying amount	<u>361</u>	<u>3,725</u>	<u>33</u>	<u>1,761</u>	<u>5,880</u>
At 1 January 2023, net of accumulated depreciation					
Cost	361	3,725	33	1,761	5,880
Additions	—	712	—	—	712
Disposals	—	(8)	—	—	(8)
Depreciation provided during the year	(39)	(1,610)	(1)	(705)	(2,355)
At 31 December 2023, net of accumulated depreciation	<u>322</u>	<u>2,819</u>	<u>32</u>	<u>1,056</u>	<u>4,229</u>
At 31 December 2023:					
Cost	414	8,697	588	2,026	11,725
Accumulated depreciation	(92)	(5,878)	(556)	(970)	(7,496)
Net carrying amount	<u>322</u>	<u>2,819</u>	<u>32</u>	<u>1,056</u>	<u>4,229</u>
	Plant and machinery <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles & others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024					
At 1 January 2024:					
Cost	414	8,697	588	2,026	11,725
Accumulated depreciation	(92)	(5,878)	(556)	(970)	(7,496)
Net carrying amount	<u>322</u>	<u>2,819</u>	<u>32</u>	<u>1,056</u>	<u>4,229</u>
At 1 January 2024, net of accumulated depreciation					
Cost	322	2,819	32	1,056	4,229
Additions	—	1,981	—	—	1,981
Disposals	—	(12)	(29)	—	(41)
Depreciation provided during the year	(40)	(1,551)	(2)	(687)	(2,280)
At 31 December 2024, net of accumulated depreciation	<u>282</u>	<u>3,237</u>	<u>1</u>	<u>369</u>	<u>3,889</u>
At 31 December 2024:					
Cost	414	10,532	7	2,026	12,979
Accumulated depreciation	(132)	(7,295)	(6)	(1,657)	(9,090)
Net carrying amount	<u>282</u>	<u>3,237</u>	<u>1</u>	<u>369</u>	<u>3,889</u>

	Plant and machinery <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles & others <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025					
At 1 January 2025:					
Cost	414	10,532	7	2,026	12,979
Accumulated depreciation	(132)	(7,295)	(6)	(1,657)	(9,090)
Net carrying amount	<u>282</u>	<u>3,237</u>	<u>1</u>	<u>369</u>	<u>3,889</u>
At 1 January 2025, net of accumulated depreciation					
Additions	—	570	—	217	787
Disposals	—	(226)	—	—	(226)
Depreciation provided during the year	(39)	(1,374)	(1)	(423)	(1,837)
At 31 December 2025, net of accumulated depreciation	<u>243</u>	<u>2,207</u>	<u>—</u>	<u>163</u>	<u>2,613</u>
At 31 December 2025:					
Cost	415	10,215	7	2,242	12,879
Accumulated depreciation	(172)	(8,008)	(7)	(2,079)	(10,266)
Net carrying amount	<u>243</u>	<u>2,207</u>	<u>—</u>	<u>163</u>	<u>2,613</u>

Impairment testing of non-financial assets

Non-financial assets (including property, plant and equipment, right-of-use assets and intangible assets) of the Group are assessed as one cash-generating unit for impairment testing as at the end of each reporting period.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering the remaining useful life of the non-financial assets approved by senior management. The pre-tax discount rate applied to the cash flow projections, the revenue growth rate and the growth rate for earnings before interest, taxes, depreciation, and amortisation ("EBITDA") used to extrapolate the cash flows of the cash-generating unit are as follows:

	As at 31 December		
	2023	2024	2025
Average revenue growth rate	19%	14%	14%
Average EBITDA growth rate	20%	14%	14%
Pre-tax discount rate	13%	13%	13%

The calculation of value in use is based on the following assumptions:

Revenue growth rate — the rate is based on the average revenue growth achieved in the past years and expected market development.

EBITDA growth rate — the rate is derived through combining historical performance analysis and forward-looking market projections incorporating industry-specific demand drivers, competitive dynamics, and macroeconomic development.

Pre-tax discount rate — the rate reflects management's estimate of the risks specific to the unit.

The values assigned to the key assumptions on revenue growth rate, EBITDA growth rate and discount rates are consistent with management's past experience and external information sources.

As at 31 December 2023, 2024 and 2025, the recoverable amount of the cash-generating unit exceeded its carrying amount and no impairment provision was made.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings used in its operations. Buildings generally have lease terms between 1 and 4 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Buildings <i>RMB'000</i>
At 1 January 2023	15,909
Additions	425
Depreciation charge	(8,153)
Disposal	(1,680)
	<u>6,501</u>
At 31 December 2023	<u>6,501</u>
At 1 January 2024	6,501
Additions	1,997
Depreciation charge	(6,076)
	<u>2,422</u>
At 31 December 2024	<u>2,422</u>
At 1 January 2025	2,422
Additions	17,544
Depreciation charge	(5,783)
Modification	(2,359)
	<u>11,824</u>
At 31 December 2025	<u>11,824</u>

The Company

	Buildings <i>RMB'000</i>
At 1 January 2023	6,298
Depreciation charge	(3,122)
Disposal	(608)
	<u>2,568</u>
At 31 December 2023	<u>2,568</u>
At 1 January 2024	2,568
Additions	1,997
Depreciation charge	(2,527)
	<u>2,038</u>
At 31 December 2024	<u>2,038</u>
At 1 January 2025	2,038
Additions	10,105
Depreciation charge	(3,733)
	<u>8,410</u>
At 31 December 2025	<u>8,410</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Carrying amount at 1 January	18,461	8,565	4,462
New leases	425	2,287	17,544
Accretion of interest recognised during the year	468	217	528
Payments	(9,692)	(6,607)	(6,558)
Modification	(1,097)	—	(2,569)
Waive of lease liability by the lessor	—	—	(395)
Carrying amount at 31 December	<u>8,565</u>	<u>4,462</u>	<u>13,012</u>
Analysed into:			
Current portion	7,410	3,420	6,086
Non-current portion	<u>1,155</u>	<u>1,042</u>	<u>6,926</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Carrying amount at 1 January	7,486	3,780	2,882
New leases	—	2,287	10,104
Accretion of interest recognised during the year	213	123	341
Payments	(3,919)	(3,308)	(4,098)
Carrying amount at 31 December	<u>3,780</u>	<u>2,882</u>	<u>9,229</u>
Analysed into:			
Current portion	3,100	1,840	4,320
Non-current portion	<u>680</u>	<u>1,042</u>	<u>4,909</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:**The Group**

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Expense relating to short-term leases and leases of low-value assets	252	1,392	737
Interest on lease liabilities	468	217	528
Depreciation charge of right-of-use assets	8,153	6,076	5,783
Gain on waive of lease liability by the lessor	—	—	(395)
Total amount recognised in profit or loss	<u>8,873</u>	<u>7,685</u>	<u>6,653</u>

The Company

	Year ended 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Expense relating to short-term leases and leases of low-value assets	252	1,328	658
Interest on lease liabilities	213	123	341
Depreciation charge of right-of-use assets	<u>3,122</u>	<u>2,527</u>	<u>3,733</u>
Total amount recognised in profit or loss	<u>3,587</u>	<u>3,978</u>	<u>4,732</u>

15. INTANGIBLE ASSETS

The Group

31 December 2023

Software
RMB'000

At 1 January 2023	
Cost	4,055
Accumulated amortisation	<u>(1,031)</u>
Net carrying amount	<u>3,024</u>
At 1 January 2023, net of accumulated amortisation	3,024
Additions	1
Amortisation (note 6)	<u>(465)</u>
At 31 December 2023, net of accumulated amortisation	<u>2,560</u>
At 31 December 2023	
Cost	4,056
Accumulated amortisation	<u>(1,496)</u>
Net carrying amount	<u>2,560</u>

31 December 2024

Software
RMB'000

At 1 January 2024	
Cost	4,056
Accumulated amortisation	<u>(1,496)</u>
Net carrying amount	<u>2,560</u>
At 1 January 2024, net of accumulated amortisation	2,560
Additions	175
Amortisation (note 6)	<u>(467)</u>
At 31 December 2024, net of accumulated amortisation	<u>2,268</u>
At 31 December 2024	
Cost	4,231
Accumulated amortisation	<u>(1,963)</u>
Net carrying amount	<u>2,268</u>

31 December 2025

Software
RMB'000

At 1 January 2025	
Cost	4,231
Accumulated amortization	<u>(1,963)</u>
Net carrying amount	<u>2,268</u>
At 1 January 2025, net of accumulated amortization	2,268
Additions	381
Amortization	<u>(472)</u>
At 31 December 2025, net of accumulated amortization	<u>2,177</u>
At 31 December 2025	
Cost	4,612
Accumulated amortization	<u>(2,435)</u>
Net carrying amount	<u>2,177</u>

The Company**31 December 2023****Software**
RMB'000

At 1 January 2023	
Cost	2,679
Accumulated amortisation	<u>(469)</u>
Net carrying amount	<u>2,210</u>
At 1 January 2023, net of accumulated amortisation	2,210
Additions	—
Amortisation (<i>note 6</i>)	<u>(268)</u>
At 31 December 2023, net of accumulated amortisation	<u>1,942</u>
At 31 December 2023	
Cost	2,679
Accumulated amortisation	<u>(737)</u>
Net carrying amount	<u>1,942</u>

31 December 2024**Software**
RMB'000

At 1 January 2024	
Cost	2,679
Accumulated amortisation	<u>(737)</u>
Net carrying amount	<u>1,942</u>
At 1 January 2024, net of accumulated amortisation	1,942
Additions	175
Amortisation (<i>note 6</i>)	<u>(269)</u>
At 31 December 2024, net of accumulated amortisation	<u>1,848</u>
At 31 December 2024	
Cost	2,854
Accumulated amortisation	<u>(1,006)</u>
Net carrying amount	<u>1,848</u>

31 December 2025**Software**
RMB'000

At 1 January 2025	
Cost	2,854
Accumulated amortization	<u>(1,006)</u>
Net carrying amount	<u>1,848</u>
At 1 January 2025, net of accumulated amortization	1,848
Additions	381
Amortisation (<i>note 6</i>)	<u>(402)</u>
At 31 December 2025, net of accumulated amortization	<u>1,827</u>
At 31 December 2025	
Cost	3,235
Accumulated amortization	<u>(1,408)</u>
Net carrying amount	<u>1,827</u>

16. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	8,929	7,106	3,176
Finished goods	13,851	9,443	6,399
Goods in transit	4,820	2,057	1,783
Consigned processing materials	1,147	3,061	1,244
Contract cost	1,433	2,222	6,706
Work in progress	—	—	—
Total	<u>30,180</u>	<u>23,889</u>	<u>19,308</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	6,294	3,851	2,426
Finished goods	9,233	7,965	6,322
Goods in transit	1,043	1,860	1,520
Consigned processing materials	982	3,010	1,193
Contract cost	<u>479</u>	<u>1,808</u>	<u>4,924</u>
Total	<u>18,031</u>	<u>18,494</u>	<u>16,385</u>

17. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	208,024	359,460	707,685
Less: Impairment of trade receivables	(34,705)	(52,262)	(121,086)
Bills receivables	1,207	—	—
Less: Impairment of bills receivables	<u>(13)</u>	<u>—</u>	<u>—</u>
Net carrying amount	<u>174,513</u>	<u>307,198</u>	<u>586,599</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	320,603	448,350	704,521
Less: Impairment of trade receivables	(28,079)	(42,077)	(95,138)
Bills receivables	264	—	—
Less: Impairment of bills receivables	<u>(13)</u>	<u>—</u>	<u>—</u>
Net carrying amount	<u>292,775</u>	<u>406,273</u>	<u>609,383</u>

The Group's trading terms with its customers are mainly on credit, overdue balances are reviewed regularly by senior management. As at 31 December 2023, 2024 and 2025, 76.78%, 79.56% and 76.51% of trade receivables are concentrated on the Group's ten largest customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	163,647	254,295	408,870
1 to 2 years	8,532	48,339	156,454
2 to 3 years	877	4,407	20,123
3 to 4 years	263	157	1,152
4 to 5 years	—	—	—
Above 5 years	—	—	—
Total	<u>173,319</u>	<u>307,198</u>	<u>586,599</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	284,168	365,024	393,757
1 to 2 years	6,261	37,728	194,730
2 to 3 years	1,855	2,815	19,779
3 to 4 years	240	706	1,117
4 to 5 years	—	—	—
Above 5 years	—	—	—
Total	<u>292,524</u>	<u>406,273</u>	<u>609,383</u>

The movements in the loss allowance for impairment of trade receivable are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	25,140	34,705	52,262
Impairment losses, net (<i>note 6</i>)	9,672	18,209	68,824
Amount written off as uncollectible	(107)	(652)	—
At the end of the year	<u>34,705</u>	<u>52,262</u>	<u>121,086</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	14,670	28,079	42,077
Impairment losses, net	<u>13,409</u>	<u>13,998</u>	<u>53,061</u>
At the end of the year	<u>28,079</u>	<u>42,077</u>	<u>95,138</u>

An impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided full impairment for the defaulted receivables. The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

In addition to the above, the Group considers customers who have confirmed that they will not be able to pay back, customers who are in litigation, customers who will be expected to make offsets, and other special considerations on an individual basis.

The movements in the loss allowance for impairment of bills receivables are as follows:

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year	6	13	—
Provision/(reversal of) impairment (note 6)	7	(13)	—
At the end of the year	<u>13</u>	<u>—</u>	<u>—</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year	6	13	—
Provision/(reversal of) impairment, net	7	(13)	—
At the end of the year	<u>13</u>	<u>—</u>	<u>—</u>

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

	As at 31 December 2023		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	9,251	100%	9,251
On a collective basis:			
Within 1 year	184,027	11%	20,381
1 to 2 years	11,077	23%	2,545
2 to 3 years	1,812	52%	935
3 to 4 years	1,109	76%	845
4 to 5 years	415	100%	415
Above 5 years	333	100%	333
Total	<u>208,024</u>	<u>17%</u>	<u>34,705</u>

	As at 31 December 2024		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	9,025	100%	9,025
On a collective basis:			
Within 1 year	280,604	9%	26,310
1 to 2 years	60,509	20%	12,024
2 to 3 years	7,928	44%	3,522
3 to 4 years	47	72%	34
4 to 5 years	606	100%	606
Above 5 years	741	100%	741
Total	<u>359,460</u>	<u>15%</u>	<u>52,262</u>

	As at 31 December 2025		
	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individually assessed	9,587	100%	9,587
On a collective basis:			
Within 1 year	460,270	11%	51,401
1 to 2 years	199,165	21%	42,710
2 to 3 years	33,318	40%	13,195
3 to 4 years	4,420	74%	3,268
4 to 5 years	47	100%	47
Above 5 years	878	100%	878
Total	<u>707,685</u>	<u>17%</u>	<u>121,086</u>

The Company

	As at 31 December 2023		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	6,089	100%	6,089
(ii) Due from subsidiaries	148,202	—	—
On a collective basis:			
Within 1 year	152,898	11%	16,933
1 to 2 years	8,129	23%	1,868
2 to 3 years	3,833	52%	1,977
3 to 4 years	1,011	76%	771
4 to 5 years	162	100%	162
Above 5 years	279	100%	279
Total	<u>320,603</u>	<u>9%</u>	<u>28,079</u>

	As at 31 December 2024		
	Gross Carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	5,939	100%	5,939
(ii) Due from subsidiaries	155,492	—	—
On a collective basis:			
Within 1 year	231,208	9%	21,677
1 to 2 years	47,113	20%	9,385
2 to 3 years	5,065	44%	2,250
3 to 4 years	2,591	73%	1,884
4 to 5 years	509	100%	509
Above 5 years	433	100%	433
Total	<u>448,350</u>	<u>9%</u>	<u>42,077</u>

	As at 31 December 2025		
	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
On an individual basis:			
(i) Individual assessed	6,379	100%	6,379
(ii) Due from subsidiaries	166,347	—	—
On a collective basis:			
Within 1 year	331,222	11%	36,990
1 to 2 years	163,825	21%	35,709
2 to 3 years	32,748	40%	12,969
3 to 4 years	3,487	74%	2,578
4 to 5 years	33	100%	33
Above 5 years	480	100%	480
Total	<u>704,521</u>	<u>14%</u>	<u>95,138</u>

18. PREPAYMENTS, RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Prepayments	4,596	2,190	3,393
Deposits and other receivable	5,276	5,884	4,929
Lease receivable	543	129	—
Right-of-return assets	213	1,010	1,640
Value-added tax recoverable	4,606	2,324	249
Long-term account receivable due within one year*	—	7,970	—
Deferred listing expenses	—	128	2,081
	<u>(3,613)</u>	<u>(3,818)</u>	<u>(4,267)</u>
	<u>11,621</u>	<u>15,817</u>	<u>8,025</u>
Non-current			
Deposits and other receivable	1,232	935	1,489
Long-term lease receivable	106	—	—
Long-term account receivable*	<u>7,906</u>	<u>—</u>	<u>—</u>
	<u>9,244</u>	<u>935</u>	<u>1,489</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Prepayments	2,848	3,449	3,231
Deposits and other receivable	3,499	4,143	3,610
Lease receivable	543	129	—
Amount due from subsidiaries	8,011	11,935	12,401
Right-of-return assets	192	52	5
Value-added tax recoverable	1,602	—	—
Long-term account receivable due within one year*	—	7,970	—
Deferred listing expenses	—	128	2,081
	<u>(2,688)</u>	<u>(2,880)</u>	<u>(3,142)</u>
	<u>14,007</u>	<u>24,926</u>	<u>18,186</u>
Non-current			
Deposits and other receivable	573	829	886
Long-term lease receivable	106	—	—
Long-term account receivable*	<u>7,906</u>	<u>—</u>	<u>—</u>
	<u>8,585</u>	<u>829</u>	<u>886</u>

The other receivables and deposits are interest-free and are not secured with collateral.

* Long-term account receivables represent account receivables that contain significant financing components, it has been calculated by discounting the expected cashflows from the receivables using the discount rates that was determined by reference to currently available interest rates with similar terms, and credit risk. The current portion of long-term account receivables was presented as long-term account receivables within one year. As at 31 December 2023, 2024 and 2025, the long-term account receivables are not past due.

As of 31 December 2023, 2024 and 2025, the impairment of the other receivables and deposits were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year	3,415	3,613	3,818
Impairment losses, net (<i>note 6</i>)	239	447	527
Amount written off as uncollectible	(41)	(242)	(78)
At the end of the year	<u>3,613</u>	<u>3,818</u>	<u>4,267</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At the beginning of the year	2,646	2,688	2,880
Impairment losses, net (<i>note 6</i>)	42	192	262
At the end of the year	<u>2,688</u>	<u>2,880</u>	<u>3,142</u>

19. CONTRACT ASSETS

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contract assets arising from:			
Current			
Sale of products	1,397	3,506	5,053
Impairment	(155)	(329)	(564)
Net carrying amount	<u>1,242</u>	<u>3,177</u>	<u>4,489</u>
Non-current			
Sale of products	63	1,101	5,116
Impairment	(7)	(103)	(571)
Net carrying amount	<u>56</u>	<u>998</u>	<u>4,545</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contract assets arising from:			
Current			
Sale of products	1,394	3,500	5,053
Impairment	(154)	(328)	(564)
Net carrying amount	<u>1,240</u>	<u>3,172</u>	<u>4,489</u>
Non-current			
Sale of products	63	1,098	4,972
Impairment	(7)	(103)	(555)
Net carrying amount	<u>56</u>	<u>995</u>	<u>4,417</u>

Contract assets are initially recognised for revenue earned from the sale of products as the receipt of consideration is conditional after the expiration of the warranty period. After the expiration of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2025 was the result of the increase in the ongoing sale of products.

The Group

The expected timing of recovery or settlement for contract assets as at 31 December 2023, 2024 and 2025 is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	1,242	3,177	4,489
1 to 2 years	19	976	1,317
2 to 3 years	37	19	2,268
3 to 4 years	—	3	25
4 to 5 years	—	—	935
Total	<u>1,298</u>	<u>4,175</u>	<u>9,034</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	1,240	3,172	4,489
1 to 2 years	19	973	1,190
2 to 3 years	37	19	2,267
3 to 4 years	—	3	25
4 to 5 years	—	—	935
Total	<u>1,296</u>	<u>4,167</u>	<u>8,906</u>

The movements in the loss allowance for impairment of contract assets are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	255	162	432
Impairment losses, net (<i>note 6</i>)	(93)	270	703
Amount written off as uncollectible	—	—	—
At the end of the year	<u>162</u>	<u>432</u>	<u>1,135</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	255	161	431
Impairment losses, net	(94)	270	688
Amount written off as uncollectible	—	—	—
At the end of the year	<u>161</u>	<u>431</u>	<u>1,119</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and

supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Expected credit loss rate	11.10%	9.38%	11.16%
Gross carrying amount	1,460	4,607	10,169
Expected credit losses	(162)	(432)	(1,135)

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Expected credit loss rate	11.10%	9.38%	11.16%
Gross carrying amount	1,457	4,598	10,025
Expected credit losses	(161)	(431)	(1,119)

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**The Group**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Wealth management products	812	973	1,128
Total	<u>812</u>	<u>973</u>	<u>1,128</u>

The wealth management products issued by banks in Chinese Mainland are classified and measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. CASH AND CASH EQUIVALENTS**The Group**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Cash and cash equivalents	<u>10,661</u>	<u>54,678</u>	<u>38,136</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Cash and cash equivalents	<u>5,566</u>	<u>53,069</u>	<u>29,460</u>

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES**The Group**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade payables	64,252	166,117	319,139
Total	<u>64,252</u>	<u>166,117</u>	<u>319,139</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade payables	44,845	124,272	210,662
Due to subsidiaries	504	2,199	344
Total	<u>45,349</u>	<u>126,471</u>	<u>211,006</u>

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the date of goods received from the suppliers, is as follows:

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	62,411	162,652	243,896
Over 1 year	1,841	3,465	75,243
Total	<u>64,252</u>	<u>166,117</u>	<u>319,139</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	43,521	124,627	146,433
Over 1 year	1,828	1,844	64,573
Total	<u>45,349</u>	<u>126,471</u>	<u>211,006</u>

The trade payables are non-interest-bearing and are normally settled within 6 months. The amount aged over 1 year as at each of the year end of the Relevant Periods was due to the delayed settlement with the suppliers.

23. OTHER PAYABLES AND ACCRUALS**The Group**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Payroll and welfare payable	15,624	19,463	16,354
Other payables	4,766	4,940	11,401
Amounts due to the related parties (note 35(d))	460	1,243	1,825
Accruals	184	98	—
VAT payables related to contract liabilities	1,147	489	291
Other tax payable	2,566	17,009	52,629
Total	<u>24,747</u>	<u>43,242</u>	<u>82,500</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Payroll and welfare payable	10,555	12,760	10,958
Other payables	3,641	4,052	9,724
Accruals	184	98	—
VAT payables related to contract liabilities	377	317	147
Other tax payable	1,700	15,692	41,950
Total	<u>16,457</u>	<u>32,919</u>	<u>62,779</u>

Expect for the non-trade borrowing due to the related parties (note 35(d)), other payables are non-interest-bearing and repayable on demand.

24. CONTRACT LIABILITIES**The Group**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contract liabilities	<u>6,771</u>	<u>3,743</u>	<u>2,237</u>
Total	<u>6,771</u>	<u>3,743</u>	<u>2,237</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contract liabilities	<u>3,580</u>	<u>2,435</u>	<u>1,127</u>
Total	<u>3,580</u>	<u>2,435</u>	<u>1,127</u>

Contract liabilities represent the obligation to transfer goods to customers for which the Group has received consideration.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS**The Group**

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current									
Bank loans — unsecured	3.60~4.20	2024	18,434	3.25~4.05	2025	29,222	2.90~3.70	2026	54,382
Bank loans — secured (ii)(iii)(iv)	3.65~4.50	2024	14,539	3.20~5.61	2025	27,000	3.10~4.00	2026	65,990
Other borrowings — from individuals-unsecured (v, vi, vii)	6.00	2024	3,100	6.00	2025	20,000	6.00~12.00	2026	14,776
Other borrowings from entities-unsecured (viii)							(viii)	2026	11,102
Other borrowings — secured (ix)			—			—	3.00	2026	5,000
Discounted bills	0.93	2024	<u>100</u>			<u>—</u>			<u>—</u>
Total — current			<u>36,173</u>			<u>76,222</u>			<u>151,250</u>
Non-current									
Long term bank loans — unsecured			—	4.40~5.45	2026	610			—
Long term bank loans — secured (iii)	4.40~5.45	2025	<u>812</u>			<u>—</u>			<u>—</u>
Total — non-current			<u>812</u>			<u>610</u>			<u>—</u>
Total			<u>36,985</u>			<u>76,832</u>			<u>151,250</u>

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Analysed into:			
Within one year or on demand	36,173	76,222	151,250
In the second year	812	610	—
Total	<u>36,985</u>	<u>76,832</u>	<u>151,250</u>

The Company

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans — unsecured	3.60~4.20	2024	18,534	3.25~3.95	2025	21,512	2.90~3.60	2026	42,532
Bank loans — secured	3.65~4.50	2024	11,000	3.20~4.35	2025	27,000	3.10~4.00	2026	60,990
Other borrowings — unsecured	6.00	2024	<u>3,000</u>	6.00	2025	<u>20,000</u>	3.04~6.00	2026	<u>25,000</u>
Total			<u>32,534</u>			<u>68,512</u>			<u>128,522</u>

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Analysed into:			
Within one year or on demand	32,534	68,512	128,522
Total	<u>32,534</u>	<u>68,512</u>	<u>128,522</u>

Notes:

- (i) All bank borrowings are denominated in RMB as at 31 December 2023, 2024 and 2025.
- (ii) As at 31 December 2023, 2024 and 2025, the Group pledged certain originally acquired invention patents and utility model as collateral to secure bank loans. These patent rights had not previously been capitalized in the financial statements.
- (iii) As at 31 December 2023, 2024 and 2025, certain directors and related parties of the Group provided guarantees for the bank loans of the Group (note 35(c)).
- (iv) As at 31 December 2023, certain independent third-party financing guarantee companies provided guarantees for the bank borrowings of the Group.
- (v) As at 31 December 2023, other borrowing amounted to RMB3,000,000 represents borrowings from an individual person and RMB100,000 represents borrowings from a financing company.
- (vi) As at 31 December 2024, other borrowing amounted to RMB20,000,000 represents borrowings from Ms. Liu Ying (note 35(a)).
- (vii) As at 31 December 2025, other borrowings amounted to RMB14,000,000 represent borrowings from three individual persons, other borrowing amounted to RMB776,000 represents relevant interest accrued but not paid.
- (viii) Other borrowings amounted to RMB11,000,000 represent borrowings from two entities with loan terms from 26 December 2025 to 3 January 2026, 26 December 2025 to 25 January 2026, respectively. An interest expense amounted to RMB 102,000 was recorded in the consolidated financial statement of profit or loss for the year ended 31 December 2025.
- (ix) Other loans were letters of credit discounted at the bank, secured by factoring of trade receivables arising from intercompany transactions between the Company and a subsidiary.

26. DEFERRED INCOME**The Group and the Company**

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At January 1	582	—	—
Received amounts	3,387	—	2,950
Released amounts	<u>(3,969)</u>	<u>—</u>	<u>—</u>
At December 31	<u>—</u>	<u>—</u>	<u>2,950</u>
Current	—	—	2,950
Non-current	<u>—</u>	<u>—</u>	<u>—</u>

- * The Group's deferred income represented government grants received for projects and are deferred and amortised on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed. The grants were recognised in profit or loss as other income when the Group complied with the conditions attached to the grants.

27. PROVISION

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At January 1	1,913	1,899	2,519
Additional provision	537	3,930	1,361
Amounts utilised during the year/period	<u>551</u>	<u>3,310</u>	<u>678</u>
At December 31	<u><u>1,899</u></u>	<u><u>2,519</u></u>	<u><u>3,202</u></u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
At January 1	1,825	1,753	1,102
Additional provision	428	(89)	457
Amounts utilised during the year/period	<u>500</u>	<u>562</u>	<u>565</u>
At December 31	<u><u>1,753</u></u>	<u><u>1,102</u></u>	<u><u>994</u></u>

The Group generally provides warranties of 1 to 5 years to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Some of the contracts provide customers with a right to return the goods within a specified period. The Group estimates the provision for liabilities based on the expected returns with the corresponding changes recognised in revenue.

28. PAID-IN CAPITAL/SHARE CAPITAL

Paid-in capital

A summary of movements in the paid-in capital is as follows:

	Total RMB'000
As at 31 December 2023	54,660
Capital contribution by shareholders	<u>—</u>
As at 31 December 2024	54,660
Conversion into a joint stock company	<u>(54,660)</u>
As at 31 December 2025	<u><u>—</u></u>

Share capital

On 30 May 2025, the then shareholders of the Company resolved at a shareholders' general meeting to convert the Company into a joint stock company with limited liability, with a registered capital of RMB54,660,319. Upon the completion of the registration with the Xiamen Municipal Bureau of Market Regulation on 11 June 2025, the Company was converted into a joint stock company with limited liability.

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital RMB'000
As at 1 January 2025		
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each	54,660,319	54,660
Share sub-division*	218,641,276	—
Capital contribution by Shareholders**	<u>3,904,310</u>	<u>781</u>
As at 30 December 2025	<u>277,205,905</u>	<u>55,441</u>

* On 21 June 2025, pursuant to the resolution of the shareholder's meeting, the ordinary shares with a nominal value of RMB1.00 each were subdivided on a one-for-five basis, and the nominal value was changed to RMB0.20 each, following which total registered capital remained unchanged at RMB54,660,319, comprising 273,301,595 shares with a nominal value of RMB0.20 each.

** On 15 August 2025, the Company entered into a financing agreement with two Pre-IPO investors and issued 3,904,310 shares with a nominal value of RMB0.20 each, to the two Pre-IPO investors with an aggregated consideration amount of RMB50,000,000, the proceed from the two Pre-IPO investors was received on 22 August 2025. The two Pre-IPO investors were granted by the Company with redemption rights and liquidation preference rights.

For the historical periods before 15 August 2024, the Company and its shareholders entered into series of investment agreements (collectively the "Agreements"), pursuant to the Agreements, the Company in aggregated issued 129,955,245 ordinary shares (representing the number of shares after subdivided) to certain shareholders (collectively the "Pre-IPO Investors") for a total net cash proceed of approximately RMB669,100,008 (collectively the "Pre-IPO investments"). Pursuant to the Agreements, the Pre-IPO Investors were also granted by the Company with redemption rights and liquidation preference rights.

There was no exercise of redemption rights and liquidation preference rights granted by the Company throughout the Relevant Periods.

On 10 June 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights and liquidation preference rights granted by the Company to Pre-IPO investors, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

For investors Agreements entered in August 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights and liquidation preference rights granted by the Company to Pre-IPO investors on 30 December 2025, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity since 22 August 2025 when the Company received the investment.

Had the redemption rights and liquidation preference rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in 2025, (i) the redemption financial liabilities, total current liabilities; net current liabilities, net assets would have been:

	31 December 2023 RMB'000	31 December 2024 RMB'000
Redemption financial liabilities-current	881,625	948,184
Total current liabilities	1,020,978	1,240,928
Net current liabilities	791,949	835,196
Net assets	(768,027)	(826,298)

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

	2023/12/31 RMB'000	2024/12/31 RMB'000	2025/12/31 RMB'000
Financial costs associated with the redemption financial liabilities	(66,559)	(66,559)	(30,806)
Total net loss	(99,136)	(58,271)	(98,955)
Basic and diluted loss per share (RMB)	(0.36)	(0.21)	(0.36)

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Capital reserve

The capital reserve of the Group represents:

- a) the excess of the consideration received for subscription of the registered capital of the Company;
- b) the share transfer arrangement between shareholders of the Company which are considered as share-based payments, the difference between the fair value and the consideration were recognised as capital reserve;
- c) The transfer of share-based payments reserve to capital reserve upon the vesting of share awards arrangement, as further explained in the accounting policy for share-based payment in note 2.3 to the Historical Financial Information;
- d) Equity transaction arising from partial disposal of a subsidiary that do not result in losing control of the subsidiary, as further disclosed in note 1(d) to the Historical Financial Information.

(ii) Share-based payments

The share-based payments of the Group represent the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 30 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2023	640,036	23,299	(415,862)	247,473
Loss for the year	<u>—</u>	<u>—</u>	<u>(14,115)</u>	<u>(14,115)</u>
Total comprehensive loss for the year	—	—	(14,115)	(14,115)
Equity-settled share award arrangements	—	4,002	—	4,002
Share-based payment <i>(note 30a)</i>	<u>27,301</u>	<u>(27,301)</u>	<u>—</u>	<u>—</u>
As at 31 December 2023	<u>667,337</u>	<u>—</u>	<u>(429,977)</u>	<u>237,360</u>
	Capital reserve <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	667,337	—	(429,977)	237,360
Profit for the year	<u>—</u>	<u>—</u>	<u>35,665</u>	<u>35,665</u>
Total comprehensive income for the year	—	—	35,665	35,665
As at 31 December 2024	<u>667,337</u>	<u>—</u>	<u>(394,312)</u>	<u>273,025</u>

	Capital reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2025	667,337	—	(394,312)	273,025
Profit for the year	—	—	(55,585)	(55,585)
Total comprehensive income for the year	<u>—</u>	<u>—</u>	<u>(55,585)</u>	<u>(55,585)</u>
Capital contribution by Shareholders	47,734	—	—	47,734
Conversion into a joint stock company	(527,114)	—	527,114	—
Equity-settled share awards arrangements	<u>—</u>	<u>5,307</u>	<u>—</u>	<u>5,307</u>
As at 31 December 2025	<u>187,957</u>	<u>5,307</u>	<u>77,217</u>	<u>270,481</u>

30. SHARE-BASED PAYMENTS

Share transfer arrangement

In August 2022, pursuant to an equity transfer agreement signed between Shanghai Hongyu Aviation Industry Equity Investment Partnership (Limited Partnership) (“Shanghai Hongyu”) and Greenland Financial Holdings Group Co., Ltd. (“Greenland”), Greenland transferred part of its equity interests in the Company to Shanghai Hongyu at a consideration lower than the fair value of the equity interests at the time. The difference between the fair value and the consideration was recognised as share-based payment expense with a total amount of RMB4,688,000 in the consolidated statements profit or loss. The fair value of the shares granted is determined by reference to the Company’s recent equity transfer price with/between its independent investors.

In October 2018, pursuant to an equity transfer agreement signed by the Company, an individual person Mr. Su Xiaosheng (蘇曉生) and Beijing Deep Sense Technologies Co., Ltd (“Beijing Deep Sense”), the Company agreed to acquire the share of Beijing Deep Sense held by Mr. Su Xiaosheng (蘇曉生) through issuance of certain shares of the Company and with a cash consideration. The fair value of the shares issuance and the cash consideration paid had exceeded the fair value of Mr. Su Xiaosheng’s transferred equity interest in Beijing Deep Sense. The difference is considered as a share-based payment to incentivize Mr. Su Xiaosheng for his continuing employment and continuing serving at Beijing Deep Sense. A portion of the shares granted and vested immediately without any vesting condition, a share-based payment expense amounted to RMB4,401,000 was recognised at the time of grant in 2018. The remaining portion of shares granted has been recognised in the consolidated financial statement of profit or loss over the vesting period on a straight-line basis. The fair value of the shares granted is determined by reference to the Company’s recent equity transfer price with/between its independent investors. During the year ended 31 December 2023, the Company had recognised share-based payment expense of RMB2,875,500.

Share Incentive Scheme

In recognition of the contributions of employees and to incentivize them to further promote the development of the Company, the Company had adopted a share incentive scheme (the “Share Incentive Scheme”), to award the partnership interest in the share incentive platforms to the scheme participants. Shenzhen Ruiyuan Technology Center Partnership (limited partnership) (深圳瑞遠科技中心合夥企業(有限合夥)) (“Shenzhen Ruiyuan Technology Partnership”), Shenzhen Ruiyuan Technology Center partnership (limited partnership) (深圳瑞元科技中心合夥企業(有限合夥)) (“Ruiyuan Technology Partnership”) and Shenzhen Ruiyitong Technology Partnership Enterprise (Limited Partnership) (深圳瑞億瞳科技合夥企業(有限合夥)) (“Ruiyitong Technology Partnership”) were established as the Company’s share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platforms.

On 10 November 2019, the Group issued its paid-in capital amounted to RMB2,165,587 and RMB2,165,587 to Shenzhen Ruiyuan Technology Partnership and Ruiyuan Technology Partnership respectively. The two incentive platforms then granted the shares of the platforms to the share incentive participants and accordingly the share incentive participants became the beneficial owners and entitled to the economic interest of the Company’s development through the platform’s share interest in the Company.

On 28 November 2024, Ruiyitong Technology Partnership was established as a limited partnership under the laws of the PRC. On 10 April 2025, Mr. Zhan Donghui (詹東暉) transferred 564,603 shares to Ruiyitong Technology Partnership and accordingly Mr. Zhan Donghui became the shareholder of Ruiyitong Technology Partnership. On 10 June 2025, Ruiyitong Technology Partnership granted the 521,365 shares of the platforms to the share incentive participants and accordingly the share incentive participants became the beneficial owner and entitled to the economic interest of the Company’s development through the platform’s share interest in the Company.

On 27 June 2025, a shareholder of Shenzhen Ruiyuan Technology Partnership transferred 346,494 shares to Mr. Zhan Donghui (詹東暉) at a consideration of RMB700,000. According to the approved share award scheme supplement arrangement on the repurchased shares, included in the shares transferred, 321,449 shares are re-granted to Mr. Zhan Donghui with a 10 years' service period, and 25,045 are reserved and held by Mr. Zhan Donghu on behalf of an employee on 27 June 2025, which are subsequently granted and transferred to the employee on 8 September 2025, with a service period condition of 5 years. The fair value of the shares granted was measured at the grant date by reference to the Company's recent equity transfer price with/between its independent investors. The share-based payment expenses are recognised in profit or loss over the vesting periods on a straight-line basis.

These awards at the platforms are granted in tranches over a specified service period from the date of grant, or to certain incentive employees, without specified service period and vested immediately.

	Number of shares
At 1 January 2023	2,939,104
Vested during the year	<u>(2,939,104)</u>
At 31 December 2023	<u>—</u>
At 31 December 2024	<u>—</u>
At 1 January 2025	—
Granted during the period	<u>867,859</u>
At 31 December 2025	<u>867,859</u>

Through the granted of 521,365 shares, the incentive employees indirectly holding 2,606,827 shares of the Company, after taking into account the conversion into a joint-stock Company and the share-subdivision as set out in note 28 to Historical Financial Information.

During the years ended 31 December 2023, 2024 and 2025, the Group recognised share-based payment expenses in respect of the share granted pursuant to the Share Incentive Scheme of RMB1,126,500, nil, and RMB5,307,192 respectively.

The fair values of the share awards granted under the Share Incentive Scheme were estimated as at the grant date by using an option pricing model, taking into account the terms and conditions upon which the share awards were granted. The following table lists the significant inputs to the fair value model used during the Relevant Periods:

	10 June 2025	27 June 2025	8 September 2025
Risk-free interest rate (%)	1.54	1.76	1.62
Volatility (%)	43.42	45.49	46.30

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB425,000, RMB1,997,000 and RMB17,544,000, respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to the related parties <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Bank and other borrowings <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	2,650	18,461	14,278	35,389
Changes from financing cash flows:				
Payments of lease liabilities	—	(9,692)	—	(9,692)
New bank and other borrowings	—	—	37,094	37,094
Repayments of bank and other loans	—	—	(14,487)	(14,487)
Payment of bank loan interest	—	—	(917)	(917)
Loans from related parties	—	—	—	—
Repayment of related party loans	(150)	—	—	(150)
Cash from discounted bills	—	—	100	100
Total changes from financing cash flows	<u>(150)</u>	<u>(9,692)</u>	<u>21,790</u>	<u>11,948</u>
Other changes:				
New leases	—	425	—	425
Accretion of interest	—	468	917	1,385
Lease termination	—	(1,097)	—	(1,097)
Changes from non-cash transactions	(2,040)	—	—	(2,040)
Total other changes	<u>(2,040)</u>	<u>(204)</u>	<u>917</u>	<u>(1,327)</u>
At 31 December 2023	<u>460</u>	<u>8,565</u>	<u>36,985</u>	<u>46,010</u>
	Amounts due to the related parties <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Bank and other borrowings <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	460	8,565	36,985	46,010
Changes from financing cash flows:				
Payments of lease liabilities	—	(6,607)	—	(6,607)
New bank and other borrowings	—	—	78,365	78,365
Repayments of bank and other loans	—	—	(38,419)	(38,419)
Payment of bank loan interest	(258)	—	(1,469)	(1,727)
Loans from related parties	24,933	—	—	24,933
Repayment of related party loans	(24,150)	—	—	(24,150)
Total changes from financing cash flows	<u>525</u>	<u>(6,607)</u>	<u>38,477</u>	<u>32,395</u>
Other changes:				
New leases	—	2,287	—	2,287
Accretion of interest	258	217	1,469	1,944
Changes from non-cash transactions	—	—	(99)	(99)
Total other changes	<u>258</u>	<u>2,504</u>	<u>1,370</u>	<u>4,132</u>
At 31 December 2024	<u>1,243</u>	<u>4,462</u>	<u>76,832</u>	<u>82,537</u>

	Amounts due to the related parties <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Bank and other loans <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2025	1,243	4,462	76,832	82,537
Changes from financing cash flows:				
Payments of lease liabilities	—	(6,558)	—	(6,558)
New bank and other borrowings	—	—	152,201	152,201
Repayments of bank and other loans	—	—	(78,820)	(78,820)
Payment of bank loan interest	—	—	(3,271)	(3,271)
Loans from related parties	8,588	—	—	8,588
Payment of related party loans	(8,006)	—	—	(8,006)
Repayment of related party loans interest	(154)	—	—	(154)
Total changes from financing cash flows	<u>428</u>	<u>(6,558)</u>	<u>70,110</u>	<u>63,980</u>
Other changes:				
New leases	—	17,544	—	17,544
Accretion of interest	—	528	4,308	4,836
Reassessment and revision of lease terms	—	(2,569)	—	(2,569)
Waive of lease liability by the lessor	—	(395)	—	(395)
Total other changes	<u>—</u>	<u>15,108</u>	<u>4,308</u>	<u>19,416</u>
At 31 December 2025	<u>1,671</u>	<u>13,012</u>	<u>151,250</u>	<u>165,933</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within operating activities	252	1,392	737
Within financing activities	<u>9,692</u>	<u>6,607</u>	<u>6,558</u>
Total	<u>9,944</u>	<u>7,999</u>	<u>7,295</u>

32. INVESTMENTS IN SUBSIDIARIES

The Company had the following investments in subsidiaries at the end of the each of the Relevant Periods:

The Company

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Investments in subsidiaries			
Original investment	60,474	60,474	60,474
Equity-settled share awards arrangements	<u>38,905</u>	<u>38,905</u>	<u>39,239</u>
Less: Impairment of investments in subsidiaries*	<u>(52,906)</u>	<u>(52,906)</u>	<u>(53,240)</u>
Net carrying amount	<u>46,473</u>	<u>46,473</u>	<u>46,473</u>

* Some subsidiaries incurred losses or only carried out limited operational activities. The management has performed impairment testing for investment in subsidiaries which has impairment indicators as at each of the Relevant Periods. The Company has recognised an impairment loss on investment in subsidiaries amounted to RMB3,063,000, nil, and RMB334,000 for the year ended 31 December 2023, 2024 and 2025, respectively.

33. PLEDGE OF ASSETS

Details of the Group's interest-bearing borrowings, which are secured by the assets of the Group, are included in note 25 to the Historical Financial Information.

34. COMMITMENTS

The Group had no significant contractual commitments at the end of each of the Relevant Periods.

35. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the Relevant Periods:

(a) Name and relationships of the related parties:

	Relationship with the Group
Mr. Zhan Donghui (詹東暉)	The controlling shareholder
Mr. Ma Jiankang (馬健康)	The shareholder of the Company's subsidiary
Ubisoft Technology (Shenzhen) Co., Ltd. (優必飛科技(深圳)有限公司)	Associate of the Group
Jiangsu Ruiwei Intelligent Technology Co., Ltd. (江蘇瑞為智能科技有限公司)	Associate of the Group
Ms. Liu Ying (劉瑩)*	Note*
Ms. Chi Chang (遲暢)	Shareholder of the Company

*Note: Ms. Liu Ying was spouse of the controlling shareholder before 7 August 2024, and after 7 August 2024, Ms. Liu Ying no longer had association with the controlling shareholder, and the transactions between the Group with Ms. Liu Ying were not presented as related party transactions and balances since August 2024.

(b) The Group had the following transactions with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales of products to			
Jiangsu Ruiwei Intelligent Technology Co., Ltd. (江蘇瑞為智能科技有限公司)	89	3	—
Lease payment from:			
Ubisoft Technology (Shenzhen) Co., Ltd. (優必飛科技(深圳)有限公司)	286	132	103
Interest expenses charged by:			
Ms. Liu Ying (劉瑩)* <i>note(i)</i>	—	258	—
Ms. Chi Chang (遲暢) <i>note(ii)</i>	—	—	154
Loans borrowed from			
Mr. Ma Jiankang (馬健康)* <i>note(ii) / note(iii)</i>	—	1,433	588
Ms. Liu Ying (劉瑩) <i>note(i)</i>	—	23,500	<i>note(i)</i>
Mr. Zhan Donghui (詹東暉) <i>note(ii)</i>	—	—	—
Ms. Chi Chang (遲暢) <i>note(ii)</i>	—	—	8,000
e) Repayment of loans to			
Mr. Ma Jiankang (馬健康) <i>note(iii)</i>	2,190	650	6
Ms. Liu Ying (劉瑩)	—	23,500	<i>note(i)</i>
Mr. Zhan Donghui (詹東暉)	—	—	—
Ms. Chi Chang (遲暢)	—	—	8,000

Notes:

- (i) The loans from Ms. Liu Ying (劉瑩) represent the transaction between the Group and Ms. Liu Ying before 7 August 2024. The transactions between the Group and Ms. Liu Ying after 7 August 2024 were not included in the transaction amount with related parties. The borrowings were unsecured, non-trade in nature, with an interest rate of 6.00% p.a.
- (ii) The loan from Mr. Ma Jiankang (馬健康) was unsecured, interest-free, non-trade in nature and was repayable on demand. The RMB8,000,000 loan agreement from Ms. Chi Chang (遲暢) was signed on 24 June 2025, with the loan term from 24 June 2025 to 1 July, 2025 and an interest expense amounted to RMB154,000 was recorded in the consolidated financial statement of profit or loss for the year ended 31 December 2025.

- (iii) On 2 September 2023, the amount due from Mr. Ma Jiankang arising from the transfer of 17% share interest of You Dian of RMB2,040,000 was against with the loans balance due to Mr. Ma Jiankang. The transaction was included in the repayment of loans to Mr. Ma Jiankang in 2023 as set out in the related party transactions above. The information of the share transfer transaction of You Dian with Mr. Ma Jiankang is set out in note 1 to the Historical Financial information.

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

- (c) Guarantees provided by related parties:

	Year ended 31 December 2023	
	<i>RMB'000</i>	<i>Duration</i>
Guarantees provided by:		
Mr. Zhan Donghui (詹東暉)	11,000	2023–2026
Mr. Ma Jiankang (馬健康)	812	2023–2026
Total	<u>11,812</u>	
	Year ended 31 December 2024	
	<i>RMB'000</i>	<i>Duration</i>
Guarantee provided by:		
Mr. Zhan Donghui (詹東暉)	<u>27,000</u>	2024–2027
	Year ended 31 December 2025	
	<i>RMB'000</i>	<i>Duration</i>
Guarantee provided by:		
Mr. Zhan Donghui (詹東暉)	<u>211,000</u>	2025–2028

- * The guaranteed amount included the amount in Maximum Guarantee Contracts signed by Mr. Zhan Donghui to secure the bank facilities provided by banks to the Company.

The guarantee provided by our directors and related parties will be released on listing.

- (d) Outstanding balances with related parties:

As disclosed in the Historical Financial Information, the Group had the following outstanding balances with related parties as at 31 December 2023, 2024 and 2025.

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due to related parties:			
Other payables and accruals			
Mr. Ma Jiankang (馬健康)	<u>460</u>	<u>1,243</u>	<u>1,825</u>

These balances were non-trade in nature and primarily arose from loans advanced by Mr. Ma Jiankang to Mai Ge Er, a non-wholly owned subsidiary of the Company in which Mr. Ma Jiankang is a minority shareholder. Such balances are unsecured and interest-free. In January 2026, following discussions with Mr. Ma Jiankang, Mai Ge Er entered into a repayment agreement pursuant to which the outstanding amount shall be repaid to Mr. Ma Jiankang on or before 31 March 2027 on an interest-free basis.

- (e) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, bonuses, allowances and benefits in kind	5,191	6,724	5,699
Pension scheme contributions	2,805	2,480	809
Equity-settled share-based payment expenses	<u>2,876</u>	<u>—</u>	<u>4,024</u>
Total	<u>10,872</u>	<u>9,204</u>	<u>10,532</u>

Further details of directors' and the chief executive's emoluments are included in note 8 to the Historical Financial Information.

- (f) Redemption rights of the Pre-IPO Investors granted by controlling shareholders as defined in the Prospectus:

For the historical periods before 15 August 2024, the Pre-IPO Investors had been granted the redemption right by controlling shareholders (the "CS Redemption Rights"). The Company is not a party to CS Redemption Right. Pursuant to another supplemental agreement entered into by the Company and the Shareholders on 10 June 2025, CS Redemption right was terminated prior to the first submission of the IPO to the Stock Exchange.

For investors Agreements entered in August 2025, the Pre-IPO Investors had been granted the redemption right by controlling shareholders (the "CS Redemption Rights"). The Company is not a party to CS Redemption Right. Pursuant to another supplemental agreement entered into by the Company and the Shareholders on 30 December 2025, CS Redemption right was terminated prior to the third submission of the IPO to the Stock Exchange.

The Company has not provided any form of guarantee in connection with any potential default or failure by controlling shareholders to fulfil their obligations relating to CS redemption right. Accordingly, no financial liability regarding CS Redemption Right was recorded during the Relevant Periods.

36. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are derecognised in their entirety

Derecognised Letters of Credit and the associated trade receivables

At 31 December 2023, 2024 and 2025, the Group discounted certain Letter of Credit ("Derecognised Letters of Credit") issued by banks in Mainland China to certain reputable banks with a carrying amount in aggregate of nil, RMB82,185,000 and RMB1,616,000. These Letters had a maturity of one to twelve months at the end of the reporting period. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Letters of Credit is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Letter of Credit. Accordingly, it has derecognised the full carrying amounts of the Derecognised Letter of Credit and the associated trade receivables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Letters of Credit and the undiscounted cash flows to repurchase these Derecognised Letters of Credit is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Letters of Credit are not significant. The aggregate amount of the Derecognised Letters of Credit during the years ended 31 December 2023, 2024 and 2025 was nil, RMB82,185,000 and RMB1,616,000.

During the years ended 31 December 2023, 2024 and 2025, the Group has recognised loss amounted to nil, nil, RMB1,516,000 and RMB22,000 on the date of transfer of the Derecognised Letters of Credit.

Derecognised Bills receivable

At 31 December 2023, the Group endorsed certain bills receivable accepted by banks in Mainland China to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB764,000.

The endorsed bills receivable and the discounted bills receivable (the "Derecognised Bills") had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated bills receivables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. The aggregate amount of the endorsed and derecognised bills during the years ended 31 December 2023, 2024 and 2025 was RMB2,812,000, nil and RMB1,706,000. The aggregate amount of the discounted and derecognised bills during the years ended 31 December 2023, 2024 and 2025 was nil, nil and RMB920,000.

Transferred financial assets that are not derecognised in their entirety

During the years ended 31 December 2023, 2024 and 2025, the Group has recognised loss amounted to nil, nil, RMB7,000 on the date of transfer of the Derecognised Bills.

- (a) At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB647,000, nil and nil to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the years ended 31 December 2023, 2024 and 2025 to which the suppliers have recourse was RMB4,906,000, RMB714,000 and RMB1,483,000.
- (b) At 31 December 2023, 2024 and 2025, the Group discounted certain bills receivable accepted by banks in Mainland China (the "Discounted Bills") with a carrying amount of RMB100,000, nil and nil to certain banks (the "Discounting"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Discounted Bills and the associated bank loans. Subsequent to the Discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the

Discounted Bills to any other third parties. The aggregate amount of the bank loans associated with the Discounted Bills during the years ended 31 December 2023, 2024 and 2025 were RMB100,000, RMB172,000 and nil.

During the years ended 31 December 2023 and 2024 and 2025, the Group has recognised loss amounted of RMB7,000, RMB2,000 and nil on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

Financial assets at amortised cost

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade and bills receivable	174,513	307,198	586,599
Financial assets included in receivable and other assets	11,450	11,100	2,151
Cash and cash equivalents	10,661	54,678	38,136
Total	<u>196,624</u>	<u>372,976</u>	<u>626,886</u>

Financial assets at fair value through profit or loss

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	<u>812</u>	<u>973</u>	<u>1,128</u>

Financial liabilities at amortised cost

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	64,252	166,117	319,139
Financial liabilities included in other payables and accruals	5,226	6,183	13,226
Interest-bearing bank and other borrowings	36,985	76,832	151,250
Lease liabilities	8,565	4,462	13,012
Total	<u>115,028</u>	<u>253,594</u>	<u>496,627</u>

The Company

Financial assets at amortised cost

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade and bills receivable	292,775	406,273	609,383
Financial assets included in receivable and other assets	17,950	22,126	13,755
Cash and cash equivalents	5,566	53,069	29,460
Total	<u>316,291</u>	<u>481,468</u>	<u>652,598</u>

Financial liabilities at amortised cost

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	45,349	126,471	211,006
Financial liabilities included in other payables and accruals	3,641	4,052	9,724
Interest-bearing bank and other borrowings	32,534	68,512	128,522
Lease liabilities	3,780	2,882	9,229
Total	<u>85,304</u>	<u>201,917</u>	<u>358,481</u>

For the details of Pre-IPO investments, please refer to Note 28 to this report.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the bills receivables at fair value through other comprehensive income have been calculated by discounting the expected cash flows from the receivables using the discount rates from the factoring arrangement.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. Fair value of the unlisted investments was determined by the quoted price of the net asset value by financial institutions as at the end of each of the Relevant Periods.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

The Group

As at 31 December 2023

	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Fair value measurement using Significant observable inputs (Level 2) <i>RMB'000</i>	Fair value measurement using Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
Financial assets at fair value through profit or loss	—	812	—	812

As at 31 December 2024

	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Fair value measurement using Significant observable inputs (Level 2) <i>RMB'000</i>	Fair value measurement using Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
Financial assets at fair value through profit or loss	—	973	—	973

As at 31 December 2025

	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Fair value measurement using Significant observable inputs (Level 2) <i>RMB'000</i>	Fair value measurement using Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
Financial assets at fair value through profit or loss	—	1,128	—	1,128

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The board of directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term borrowings. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at floating interest rates. At the end of each Relevant Periods, approximately 28%, 29% and 18% of the Group's interest-bearing borrowings bore interest at floating rates. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

The following table details the effect on the Group's loss before tax for each of the Relevant Periods and accumulated losses as at the end of each reporting period that a 25-basis-point increase or decrease in interest rate would have.

	Increase/ (Decrease) in the basis points	(Increase)/ Decrease in loss before tax RMB'000	(Increase)/ Decrease in accumulated losses RMB'000
31 December 2023			
Increase in interest rate	25	(24)	(24)
Decrease in interest rate	(25)	24	24
31 December 2024			
Increase in interest rate	25	(42)	(42)
Decrease in interest rate	(25)	42	42
31 December 2025			
Increase of interest rate	25	(67)	(67)
Decrease of interest rate	(25)	67	67

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade and bills receivable*	—	—	—		209,231	209,231
Contract assets*	—	—	—		1,460	1,460
Financial assets included in receivable and other assets**						
— Normal**	11,902	—	—		—	11,902
— Doubtful**	—	—	3,161		—	3,161
Cash and cash equivalents	10,661	—	—		—	10,661
Total	<u>22,563</u>	<u>—</u>	<u>3,161</u>		<u>210,691</u>	<u>236,415</u>

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Stage 3 RMB'000		
Trade and bills receivable*	—	—	—	—	359,460	359,460
Contract assets*	—	—	—	—	4,607	4,607
Financial assets included in receivable and other assets**						
— Normal**	11,757	—	—	—	—	11,757
— Doubtful**	—	—	3,161	—	—	3,161
Cash and cash equivalents	54,678	—	—	—	—	54,678
Total	66,435	—	3,161	—	364,067	433,663

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Stage 3 RMB'000		
Trade and bills receivables*	—	—	—	—	707,685	707,685
Contract assets*	—	—	—	—	10,169	10,169
Financial assets included in receivables and other assets**						
— Normal**	3,083	—	—	—	—	3,083
— Doubtful**	—	—	3,335	—	—	3,335
Cash and cash equivalents	38,136	—	—	—	—	38,136
Total	41,219	—	3,335	—	717,854	762,408

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix and exposure to credit risk is disclosed in note 17 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, deposits and receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

At the end of each of the Relevant Periods, the Group had concentrations of credit risk which are disclosed in note 17 to the Historical Financial Information.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 17 to the Historical Financial Information.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group aims to utilise interest-bearing bank borrowings and lease liabilities to maintain the balance between the consistency and flexibility of financing activities.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023			
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	64,252	—	—	64,252
Financial liabilities included in other payables and accruals	5,226	—	—	5,226
Interest-bearing bank and other borrowings	37,602	849	—	38,451
Lease liabilities	7,831	1,223	—	9,054
Total	114,911	2,072	—	116,983
	As at 31 December 2024			
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	166,117	—	—	166,117
Financial liabilities included in other payables and accruals	6,183	—	—	6,183
Interest-bearing bank and other borrowings	78,283	644	—	78,927
Lease liabilities	3,747	1,080	—	4,827
Total	254,330	1,724	—	256,054
	As at 31 December 2025			
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	319,139	—	—	319,139
Financial liabilities included in other payables and accruals	13,226	—	—	13,226
Interest-bearing bank and other borrowings	153,639	—	—	153,639
Lease liabilities	6,190	7,099	—	13,289
Total	492,194	7,099	—	499,293

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a debt ratio, which is total assets divided by total liabilities. The debt ratio at the end of each of the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total assets	256,817	418,801	681,849
Total liabilities	143,219	296,915	574,290
Asset-liability ratio	56%	71%	84%

* The asset-liability ratio is calculated by dividing total liabilities by total assets.

40. EVENTS AFTER THE RELEVANT PERIODS

No significant events have occurred in respect of any period subsequent to 31 December 2025.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section 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 adjusted consolidated net tangible assets of the Group has been prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 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 purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at 31 December 2025 or at any future date.

	Unadjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 RMB'000 (Note 1)	Estimated net proceeds from the Global Offering RMB'000 (Note 2, 4)	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company RMB'000	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share	
				RMB (Note 3)	HK\$ (Note 4)
Based on the Offer Price of HK\$21.66 per Share	113,118	474,589	587,707	1.93	2.21

Notes:

- (1) The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 were equal to the net assets attributable to owners of the Company as at 31 December 2025 of RMB115,295,000 after deducting of intangible assets of RMB2,177,000 as of 31 December 2025 set out in the Accountants' Report in Appendix I in this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$21.66 per Share, after deduction of the underwriting fees and related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period).
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis of 305,292,905 Shares that are in issue (retrospectively adjusted for Share Subdivision as disclosed in the section headed "HISTORY AND CORPORATE STRUCTURE" in the Prospectus), assuming the Global Offering have been completed on 31 December 2025 but takes no account of any Shares which may be issued or repurchased by the Company.
- (4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi ("RMB") at an exchange rate of HK\$1.00 to RMB0.8695 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is converted from RMB into Hong Kong dollars at the same exchange rate. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from our reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus, in respect of the unaudited pro forma financial information of the Group.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the Directors of Reconova Technologies Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Reconova Technologies Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2025, and related notes as set out on page II-1 of the prospectus dated 29 June 2026 issued by the Company (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the unaudited Pro Forma Financial Information are described in Appendix II(A) to the prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the year ended at 31 December 2025, on which an accountants’ report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional 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 Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong
29 June 2026

This appendix contains a summary of the main provision of the Articles of Association of the Company adopted on June, 2025, which will take effect from the date of the Listing of H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The Company's shares are in the form of stock.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time have the same issuance conditions and price; subscribers subscribing to the shares pay the same amount per share.

INCREASE, DECREASE, REPURCHASE, AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

- (i) Issuing shares to non-specific objects;
- (ii) Issuing shares to specific objects;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other methods approved by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not repurchase its own shares, except under any of the following circumstances in accordance with laws, administrative regulations, the Articles of Association, and the regulations of the securities regulatory authorities and stock exchanges of the Company's stock listing place:

- (i) To reduce the Company's registered capital;
- (ii) To merge with another company holding the Company's shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (v) To use the shares for converting corporate bonds issued by the Company into shares;
- (vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

The Company may repurchase its own shares through public centralised trading or other methods recognised by laws, administrative regulations, the CSRC and the stock exchange and the securities regulatory authorities of the Company's stock listing place.

The Company shall repurchase its own shares through public centralised trading under the circumstances specified in items (iii), (v), and (vi) above.

The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, pursuant to the provisions of the Articles of Association or the authorization of the Shareholders' meeting.

After the Company repurchases its own shares in accordance with the above provisions, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

After the Company repurchases its own shares, it shall fulfil its information disclosure obligations in accordance with the Securities Law, and other applicable laws, regulations, and regulatory provisions of the place where the Company's shares are listed.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law. Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange.

Directors and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If the stock exchange and the securities regulatory authorities of the Company's stock listing place have other provisions on the transfer restrictions of the Company's overseas listed shares, such provisions shall prevail.

Shareholders, Directors, and senior management members who hold more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities and stock exchanges of the Company's stock listing place, and other relevant regulatory authorities.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the first paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING**General Provisions on Shareholders**

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. The original copy of the H share register of shareholders listed in Hong Kong shall be kept in Hong Kong; the entrusted overseas agency shall ensure the consistency of the original and duplicate copies of the H share register of shareholders at all times. The Hong Kong branch of the register of shareholders shall be available for shareholders to inspect, but the Company may suspend the registration of shareholders on terms equivalent to those under Hong Kong law.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting, speak and exercise corresponding voting rights in accordance with the PRC Company Law, and the Articles of Association, except for the waiver of voting rights in respect of individual matters as required by the Hong Kong listing rules;
- (iii) To supervise the Company's operations and make suggestions or inquiries;
- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and accounting books and vouchers of the Company if they meet the requirements;
- (vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;
- (viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, and the Articles of Association;
- (ii) To pay the share price according to the shares they subscribe for and the method of subscription;

- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;
- (v) Other obligations stipulated by laws, administrative regulations, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's Controlling Shareholders and actual controllers shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the CSRC, the stock exchange and the securities regulatory authorities where the Company's shares are listed, and shall safeguard the interests of the listed company.

The Company's Controlling Shareholders and actual controllers shall comply with the following provisions:

- (i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) To strictly fulfil the public statements and commitments made and not to change or exempt them without authorization;
- (iii) To strictly fulfil information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;
- (iv) Not to occupy the Company's funds in any way;
- (v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;
- (vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;
- (viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;
- (ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

If the Company's Controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's Controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

- (i) To elect and replace Directors and decide on matters related to Directors' remuneration;
- (ii) To examine and approve the Board of Directors' report;
- (iii) To examine and approve the Company's profit distribution plan and loss recovery plan;
- (iv) To make resolutions on the Company's increase or decrease of registered capital;
- (v) To make resolutions on the issuance of corporate bonds;
- (vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business and its remuneration;
- (ix) To examine and approve the external guarantee matters stipulated in Article 49 of the Articles of Association;
- (x) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;
- (xi) To examine and approve changes in the use of raised funds;
- (xii) To examine and approve equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

The Shareholders' meeting may authorise the Board of Directors to make resolutions on the issuance of corporate bonds or other securities and listing proposals.

The external guarantee behaviours of the Company must be reviewed and approved by the Board of Directors. The following external guarantee behaviours of the Company must be reviewed and approved by the Shareholders' meeting after being reviewed and approved by the Board of Directors:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;
- (ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;
- (iii) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;
- (iv) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;
- (v) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;
- (vi) Any guarantee provided to shareholders, actual controllers, and their related parties;
- (vii) Other guarantee circumstances stipulated by the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (iv) of this article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews any guarantee provided to shareholders, actual controllers, and their related parties, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

- (i) When the number of Directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association (i.e., 5);
- (ii) When the Company's unrecovered losses reach one-third of the total share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company's shares (the number of shares held is calculated as of the date of the shareholder's written request) request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and add a proposal to the agenda of the Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant

shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total share capital have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total share capital separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders who individually or jointly hold more than 10% of the Company's total share capital decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required). Before the announcement of the Shareholders' meeting resolution, the total shareholding ratio of the convening shareholders shall not be less than 10% of the total share capital. The Audit Committee or convening shareholders shall submit relevant proof materials to relevant competent authorities and the stock exchange on which the Company's shares are listed and traded in accordance with the applicable laws and regulations (if required) when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total share capital separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total share capital separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph or other circumstances permitted by laws, regulations and other rules, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting.

The notice of the Shareholders' meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;
- (iii) A clear statement that all shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (iv) The record date for shareholders entitled to attend the Shareholders' meeting (the interval between the record date for shareholders and the date of the Shareholders' meeting shall be no more than seven working days. Once the record date for shareholders is confirmed, it cannot be changed);
- (v) The name and telephone number of the standing contact person for the meeting;
- (vi) The time and procedure for voting by network or other means (including, but not limited to, telephone, and so forth);
- (vii) Other requirements stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Holding of the Shareholders' Meeting

All shareholders registered on the record date or their proxies are entitled to attend the Shareholders' meeting, speak and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the aforementioned rules).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf. Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorised by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder, except for shareholders who are a recognised clearing house as defined under the laws of Hong Kong or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

- (i) The name or title of the principal and the category and quantity of shares held;
- (ii) The name or title of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate seal or the partnership seal shall be affixed.

If the power of attorney for proxy voting is signed by a person authorised by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the principal is a legal person, it shall be represented by its legal representative or a person authorised by the Board of Directors or other decision-making body to attend the Company's Shareholders' meeting.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

- (i) The work report of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of board members and their remuneration and payment methods;
- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

- (i) The increase or decrease of the Company's registered capital;
- (ii) The division, split, merger, dissolution, and liquidation of the Company;
- (iii) Amendments to the Articles of Association;
- (iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;
- (v) Equity incentive plans;
- (vi) Variation or abrogation of the rights of class shareholders;
- (vii) Other matters stipulated by laws, administrative regulations, or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

The Company's Board of Directors, independent non-executive Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors and independent non-executive Directors.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business licence has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business licence or the order to close down of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;
- (vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;
- (vii) Other circumstances stipulated by laws, administrative regulations, and departmental rules.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office. Subject to compliance with applicable laws, regulations, and regulatory rules in PRC and Hong Kong, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information as soon as practicable (no later than 2 trading days). If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Board of Directors shall exercise the following powers and duties:

- (i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;
- (ii) Implementing the resolutions of the Shareholders' meeting;
- (iii) Deciding on the Company's business plans and investment proposals;
- (iv) Formulating the Company's profit distribution plans and loss recovery plans;
- (v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;
- (vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;
- (vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorised by the Shareholders' meeting;
- (viii) Deciding on the establishment of the Company's internal management structure;
- (ix) Deciding on the appointment or dismissal of the general manager, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the general manager's nomination, deciding on the appointment or dismissal of the chief financial officer, and other senior management members, and determining their remuneration and reward (or punishment);
- (x) Formulating the Company's basic management systems;
- (xi) Drafting amendments to the Articles of Association;
- (xii) Managing the Company's information disclosure matters;
- (xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;
- (xiv) Listening to the work reports of the general manager and reviewing the general manager's work;

- (xv) Examining and approving the external guarantee matters other than those stipulated in Article 49 of the Articles of Association;
- (xvi) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or the Shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for re-election.

The chairman shall exercise the following powers and duties:

- (i) Presiding over the Shareholders' meeting and convening and presiding over board meetings;
- (ii) Supervising and inspecting the implementation of board resolutions;
- (iii) Other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings shall be convened in writing or by email, with notice provided to all Directors at least three days before the meeting.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Independent non-executive Directors

Independent non-executive Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, and the Articles of Association. They shall play a role in

decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Independent non-executive Directors must maintain independence. The following persons shall not serve as independent non-executive Directors:

- (i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;
- (ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;
- (iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;
- (iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;
- (v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;
- (vi) Persons who provide financial, legal, consulting, or underwriting services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;
- (vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;
- (viii) Other persons deemed not independent under laws, administrative regulations, the CSRC, the securities regulatory authorities and stock exchanges of the Company's stock listing place, or the Articles of Association.

Independent non-executive Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent non-executive Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent non-executive Directors:

- (i) Related party transactions that require disclosure;
- (ii) Proposals for the Company and related parties to change or waive commitments;
- (iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;
- (iv) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent non-executive Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent non-executive Directors. The Company holds special meetings of independent non-executive Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 132 and Article 133 of the Articles of Association shall be reviewed by the special meeting of independent non-executive Directors. The special meeting of independent non-executive Directors may discuss other matters of the Company as needed.

The special meeting of independent non-executive Directors shall be convened and presided over by one independent Director jointly recommended by more than half of the independent non-executive Directors. If the convener fails to perform their duties or is unable to do so, two or more independent non-executive Directors may convene the meeting and recommend one representative to preside.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall comprise more than three members, all of whom must be non-executive directors, of whom the majority must be independent non-executive Directors, at least one of whom must be an independent director with appropriate professional qualifications or appropriate accounting or related financial management expertise as required by the Hong Kong Listing Rules, with the chairperson (convener) being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

- (i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;
- (ii) Appointment or dismissal of the accounting firm auditing the listed company;
- (iii) Appointment or dismissal of the Company's chief financial officer;
- (iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;
- (v) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Nomination Committee, and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general manager, Chief Technology Officer, Chief Scientist, Chief Financial Officer, and secretary of the Board shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

- (i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Implementing the Company's annual business plans and investment proposals;
- (iii) Drafting proposals for the establishment of the Company's internal management structure;
- (iv) Drafting the Company's basic management systems;
- (v) Formulating the Company's specific regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of the chief financial officer and other senior management;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;
- (viii) The chairman of the Board of Directors or the general manager examining and approving the transaction matters outside the scope of authority of the Board of Directors as stipulated in the Articles of Association in accordance with the authorization of the Board of Directors ;
- (ix) Other powers and duties granted by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed (if necessary). Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed (if necessary). The Company shall submit and disclose its quarterly report in accordance with the regulations of the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all members of the Audit Committee and shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 30 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;
- (ii) The Shareholders' meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is legally revoked its business licence, ordered to close, or revoked;
- (v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicise the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a

resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

- (i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;
- (ii) Notifying and announcing to creditors;
- (iii) Handling the Company's unfinished business related to the liquidation;
- (iv) Paying off the taxes owed and the taxes incurred during the liquidation process;
- (v) Cleaning up claims and debts;
- (vi) Distributing the remaining assets after the Company's debts are settled;
- (vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

- (i) After the PRC Company Law or relevant laws, administrative regulations, the provisions of the Articles of Association conflict with the amended laws, administrative regulations;
- (ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;
- (iii) The Shareholders' meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced in accordance with regulations.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation**

Our Company was established under the laws of the PRC as a limited liability company on 5 March 2012 with an initial registered capital of RMB1,000,000. On 11 June 2025, our Company was converted to a joint stock company with limited liability under the PRC Company Law. The registered address of our Company in the PRC is at Room 401, Software Park Phase 2, No. 37 Expectation Sea Road, Torch Hi-Tech Zone, Xiamen, PRC, and the headquarter of our Company in the PRC is at Room 4–5, Block F, Nanshan Zhi Gu Industry Park, No. 3185 Sha He West Road, Xi Li Road, Nanshan District, Shenzhen, Guangdong Province, PRC.

We have established a place of business in Hong Kong at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 16 July 2025. Ms. Lai Ho Yan, being our joint company secretary has been appointed as the authorised representative of our Company for the acceptance of service of process and notice in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in “Regulatory Overview” in this prospectus. A summary of our Articles of Association is set out in Appendix III to this prospectus.

2. Changes in Share Capital of our Company

Please refer to the sections headed “History and Corporate Structure — Establishment and Major Corporate Development of our Company” and “History and Corporate Structure — Pre-IPO Investments” of this prospectus for details of the alteration in our share capital within the two years immediately preceding the date of this prospectus.

Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, our registered share capital will be increased to RMB305,292,905, divided into 31,565,289 Domestic Shares and 273,727,616 H Shares, fully paid up or credited as fully paid up, representing approximately 10.34% and approximately 89.66% of our enlarged share capital, respectively.

Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants’ Report, the text of which is set out in Appendix I to this Prospectus.

Save as disclosed in “History and Corporate Structure — Our Principal Operating Subsidiaries” in this prospectus, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this prospectus.

4. Resolutions of our Shareholders in relation to the Global Offering

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on 21 June 2025, the following resolutions, among others, were duly passed:

- (a) the issue by our Company of H Shares of nominal value of RMB0.20 each and such H Shares to be listed on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the Global Offering;

- (c) the net proceeds from the Global Offering shall be applied for the purposes as disclosed in “Future Plans and Use of Proceeds” of this prospectus;
- (d) subject to the CSRC’s approval, upon completion of the Global Offering, 245,640,616 Domestic Shares in aggregate of our Company will be converted into H Shares;
- (e) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association which shall become effective upon the Listing; and
- (f) authorization of our Board or/and its authorised persons to handle all matters relating to, among other things, the Global Offering and the Listing.

5. Restrictions on Repurchase

For details of the restrictions on share repurchases by our Company, see “Appendix III — Summary of Our Articles of Association” of this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by us within the two years preceding the date of this document and are or may be material:

- (a) the capital increase agreement dated 15 August 2025 entered into among Tongxiang Wutong Puhua Fengqi Venture Capital Partnership (Limited Partnership) (桐鄉梧桐普華鳳棲創業投資合夥企業(有限合夥)) (“**Tongxiang Puhua**”), Puhua Fengqi (Ningbo) Venture Capital Fund Partnership (Limited Partnership) (普華鳳起(寧波)創業投資基金合夥企業(有限合夥)) (“**Ningbo Puhua**”), Mr. Zhan, Mr. Han Songguang, Mr. Su Xiaosheng, Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and the Company, pursuant to which Tongxiang Puhua and Ningbo Puhua agreed to subscribe separately for newly registered capital of the Company in the amount of RMB390,431 each (being an aggregate newly registered capital of RMB780,862) at a consideration of RMB25 million each (being an aggregate consideration of RMB50 million); and
- (b) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of Our Group

(a) Patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents in the PRC which we consider to be or may be material to our business:


No.	Patent	Owner	Place of Registration	Patent Number	Application Date	Expiry Date
1.	A Pedestrian Detection Method and System (一種行人檢測方法、系統)	The Company	PRC	ZL201110127360.4	17 May 2011	16 May 2031
2.	A Method for Monitoring the Driving Behaviour of Operational Vehicle Drivers (一種監測營運車輛駕駛人員駕駛行為的方法)	The Company	PRC	ZL201611022268.0	21 November 2016	20 November 2036
3.	An Identity Recognition Method Based on Associative Memory (一種基於聯想記憶的身份識別方法)	The Company	PRC	ZL201810123255.5	7 February 2018	6 February 2038

No.	Patent	Owner	Place of Registration	Patent Number	Application Date	Expiry Date
4.	A Two-Stage Method for Identifying Phone-Calling Behaviour (一種從整體到局部的兩階段打電話行為識別方法)	The Company	PRC	ZL201810872297.9	2 August 2018	1 August 2038
5.	A Seatbelt Detection Method Based on Deep Learning (一種基於深度學習的駕駛員安全帶佩戴識別方法)	The Company	PRC	ZL201811022463.2	3 September 2018	2 September 2038
6.	A Fatigue Detection Method Using Deep Learning (一種基於深度學習的疲勞檢測方法、系統和計算機設備)	The Company	PRC	ZL201811087559.7	18 September 2018	17 September 2038
7.	Dangerous Driver Action Recognition Using YOLOV3 (一種基於YOLOV3司機危險動作識別方法及系統)	The Company	PRC	ZL201911220885.5	3 December 2019	2 December 2039
8.	Head Photo Analysis Method (一種頭部照片分析方法、系統和設備)	The Company	PRC	ZL201911186552.5	28 November 2019	27 November 2039
9.	Customer Type Identification Method (一種顧客類型判斷方法、系統、設備和介質)	The Company	PRC	ZL202010177123.8	14 March 2020	13 March 2040
10.	Hands-Off Steering Wheel Detection (一種基於視覺的雙手離開方向盤檢測方法及裝置)	The Company	PRC	ZL202010026699.4	10 January 2020	9 January 2040
11.	Real-Time Multi-Person Pose Estimation (一種基於深度學習技術的計算機視覺的實時多人姿態估計方法)	The Company	PRC	ZL202010239278.X	30 March 2020	29 March 2040
12.	Height Estimation with Monocular Lens (單目鏡頭的身高估計方法及小孩過閘裝置與判斷方法)	The Company	PRC	ZL202311486914.9	9 November 2023	8 November 2043
13.	Image Classification Model Construction Based on CLIP (基於CLIP快速構建圖像分類模型的方法)	The Company	PRC	ZL202311719576.9	14 December 2023	13 December 2043
14.	NIR Liveness Detection Using Bilateral Attention (基於雙邊注意力機制的近紅外活體檢測裝置與方法)	The Company	PRC	ZL202410180161.7	18 February 2024	17 February 2044
15.	Enhancing Detection in Millimetre Wave Scanners (提升毫米波安檢儀違禁品檢測能力的方法)	The Company	PRC	ZL202410909764.6	9 July 2024	8 July 2044
16.	Synchronisation Method for Binocular Lenses (雙目鏡頭的同步方法及接收端獲取同步圖像的方法)	The Company	PRC	ZL202410269530.X	11 March 2024	10 March 2044
17.	Infrared Frame Removal in RGB Dual-Pass Lenses (去除雙通RGB鏡頭紅外曝光幀的裝置及方法)	The Company	PRC	ZL202410253657.2	6 March 2024	5 March 2044
18.	Liveness Detection with Mask Convolution and Negative Sample Sequences (結合掩碼卷積和負樣本特徵序列的活體檢測方法)	The Company	PRC	ZL202411060218.6	5 August 2024	4 August 2044
19.	Liveness Detection Based on Local Convolution and Semantic Info (基於局部卷積與語義信息的活體檢測裝置與方法)	The Company	PRC	ZL202410923964.7	11 July 2024	10 July 2044
20.	Multi-Object Tracking Based on Appearance Quality (基於外觀特徵質量篩選的多目標跟蹤方法、裝置及存儲介質)	The Company	PRC	ZL202411002388.9	25 July 2024	24 July 2044

No.	Patent	Owner	Place of Registration	Patent Number	Application Date	Expiry Date
21.	Tri-Camera Stitching with Virtual ISP (基於虛擬ISP的三目攝像頭拼接顯示裝置及方法)	The Company	PRC	ZL202410119912.4	29 January 2024	28 January 2044
22.	Multi-Sensor Image Processing with Single Module (單個圖像處理模塊同時處理多個圖像傳感器的方法)	The Company	PRC	ZL202410179508.6	18 February 2024	17 February 2044
23.	Low-Light Image Enhancement with Colour Shift Correction (一種基於顏色偏移修正的夜光圖像增強方法及裝置)	The Company	PRC	ZL202411080381.9	8 August 2024	7 August 2044
24.	Lightweight Low-Light Enhancement via Zero-Shot Learning (基於零次學習的輕量級低光圖像增強裝置及方法)	The Company	PRC	ZL202411260396.3	10 September 2024	9 September 2044
25.	Dark Image Enhancement Using Deep Learning (深度學習模型的暗光圖像增強方法)	The Company	PRC	ZL202411206290.5	30 August 2024	29 August 2044
26.	Dark Image Enhancement Using Cross-Scale Embedding and Wavelet Transform (基於跨尺度嵌入及小波變換的暗光圖像增強方法)	The Company	PRC	ZL202411239964.1	5 September 2024	4 September 2044
27.	Automated Testing for Multi-Camera Data Collection and Injection (多路攝像頭數據採集和數據倒灌的自動測試方法及系統)	The Company	PRC	ZL202310912613.1	25 July 2023	24 July 2043
28.	FPGA-Based FHOG Feature Extraction (一種基於FPGA實時提取FHOG特徵的方法)	The Company	PRC	ZL201810265217.3	28 March 2018	27 March 2038
29.	Gantry Passage Counting Using Image and Speed Sensors (基於圖像和測速傳感器結合的閘機通行計數方法及系統)	The Company	PRC	ZL202311779657.8	22 December 2023	21 December 2043
30.	Video Encoding/Decoding Based on Target Perception (一種基於目標感知的視頻信息編解碼方法和電子設備)	The Company	PRC	ZL202310132397.9	17 February 2023	16 February 2043
31.	Indoor Portrait Recognition Method (一種室內場景快速人像識別的裝置及方法)	The Company	PRC	ZL201810532179.3	29 May 2018	28 May 2038
32.	Multi-Sensor Fusion for Anti-Tailgating (一種多傳感器信息融合的閘機防尾隨方法、裝置、設備和介質)	The Company	PRC	ZL202110141686.6	2 February 2021	1 February 2041
33.	Pluggable Hard Drive Device for Vehicles (一種可插拔的硬盤裝置和車載硬盤裝置)	The Company	PRC	ZL202111080256.4	15 September 2021	14 September 2041
34.	Millimetre Wave Screening with Multimodal Identity Authentication (基於多模態無感身份認證的毫米波安檢方法及裝置)	The Company	PRC	ZL202210646144.9	9 June 2022	8 June 2042
35.	Vehicle Blind Spot Detection System (一種車輛盲區的檢測系統)	The Company	PRC	ZL202210490050.7	7 May 2022	6 May 2042
36.	Special Passenger Identification in Transit Hubs (基於圖像語義識別的場站特殊旅客識別和交互系統及方法)	The Company	PRC	ZL202311044432.8	18 August 2023	17 August 2043

(b) 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	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
1	瑞为	9	PRC	11583837	Our Company	14 March 2024– 13 March 2034
2	RECONOVA	9	PRC	11583859	Our Company	14 March 2024– 13 March 2034
3	FacePass	9	PRC	14409025	Our Company	28 May 2025– 27 May 2035
4	晓客	9	PRC	18864566	Our Company	14 February 2017– 13 February 2027
5	Fatidog	9	PRC	18864677	Our Company	21 May 2017– 20 May 2027
6	店客云及	9	PRC	19877318	Our Company	21 June 2017– 20 June 2027
7		9	PRC	21680388	Our Company	14 December 2017– 13 December 2027
8	瑞为	35	PRC	29156880	Our Company	28 December 2018– 27 December 2028
9	万卫	9	PRC	49587325	Our Company	28 April 2021– 27 April 2031
10	万卫	35	PRC	49574943	Our Company	28 April 2021– 27 April 2031
11	万卫	38	PRC	49565208	Our Company	28 April 2021– 27 April 2031
12	万卫	45	PRC	49566383	Our Company	28 April 2021– 27 April 2031
13	万卫	42	PRC	49587354	Our Company	28 April 2021– 27 April 2031
14	万卫	39	PRC	49563008	Our Company	28 April 2021– 27 April 2031
15	TickWay	39	PRC	49586047	Our Company	28 April 2021– 27 April 2031
16	TickWay	9	PRC	49594869	Our Company	7 May 2021– 6 May 2031
17	TickWay	35	PRC	49590441	Our Company	7 May 2021– 6 May 2031

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
18	TickWay	38	PRC	49587192	Our Company	28 April 2021– 27 April 2031
19	TickWay	45	PRC	49590456	Our Company	7 May 2021– 6 May 2031
20	TickWay	42	PRC	49571943	Our Company	28 April 2021– 27 April 2031
21	晓瑞	9	PRC	49590463	Our Company	21 September 2021– 20 September 2031
22	晓瑞	38	PRC	49590477	Our Company	28 April 2021– 27 April 2031
23	晓瑞	39	PRC	49582409	Our Company	28 April 2021– 27 April 2031
24	MrRay	39	PRC	49577049	Our Company	28 April 2021– 27 April 2031
25	MrRay	45	PRC	49571986	Our Company	28 April 2021– 27 April 2031
26	灵悉	9	PRC	49596253	Our Company	7 October 2021– 6 October 2031
27	灵悉	38	PRC	49566402	Our Company	28 April 2021– 27 April 2031
28	灵悉	39	PRC	49596265	Our Company	28 April 2021– 27 April 2031
29	灵悉	45	PRC	49587591	Our Company	28 April 2021– 27 April 2031
30	LINTIS	9	PRC	49578077	Our Company	21 September 2021– 20 September 2031
31	LINTIS	39	PRC	49582497	Our Company	28 August 2021– 27 August 2031
32	LINTIS	42	PRC	49583852	Our Company	7 September 2021– 6 September 2031
33	LINTIS	45	PRC	49568824	Our Company	28 April 2021– 27 April 2031
34	翼瞳	9	PRC	49567447	Our Company	28 August 2021– 27 August 2031

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
35	翼瞳	35	PRC	49578102	Our Company	28 April 2021– 27 April 2031
36	翼瞳	38	PRC	49568830	Our Company	28 April 2021– 27 April 2031
37	翼瞳	39	PRC	49567451	Our Company	7 May 2021– 6 May 2031
38	翼瞳	45	PRC	49583867	Our Company	28 April 2021– 27 April 2031
39	WinGuard	9	PRC	49587630	Our Company	7 September 2021– 6 September 2031
40	WinGuard	38	PRC	49592187	Our Company	28 April 2021– 27 April 2031
41	WinGuard	39	PRC	49561904	Our Company	28 April 2021– 27 April 2031
42	WinGuard	42	PRC	49583887	Our Company	28 August 2021– 27 August 2031
43	WinGuard	45	PRC	49568852	Our Company	28 April 2021– 27 April 2031
44	瑞为	9	PRC	49570638	Our Company	14 September 2021– 13 September 2031
45	瑞为	45	PRC	49582552	Our Company	28 April 2021– 27 April 2031
46	瑞为	42	PRC	58312124	Our Company	7 February 2021– 6 February 2031
47	瑞为	9	PRC	59178024	Our Company	14 June 2023– 13 June 2033
48	瑞为	37	PRC	58828413	Our Company	14 February 2022– 13 February 2032
49	RECONOVA	9	PRC	49582554	Our Company	12 September 2021– 20 September 2031
50	RECONOVA	35	PRC	49595474	Our Company	21 May 2021– 20 May 2031
51	RECONOVA	45	PRC	49592217	Our Company	28 April 2021– 27 April 2031

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
52	瑞为星汉	9	PRC	58993547	Our Company	7 March 2022– 6 March 2032
53	瑞为星汉	37	PRC	58981473	Our Company	7 March 2022– 6 March 2032
54	瑞为星汉	42	PRC	58995156	Our Company	7 March 2022– 6 March 2032
55	SINHON	9	PRC	59242376	Our Company	14 June 2022– 13 June 2032
56	RECONOVA	37	PRC	58804600	Our Company	14 February 2022– 13 February 2032
57	RECONOVA	42	PRC	58809559	Our Company	7 April 2023– 6 April 2033
58	瑞为技术	7	PRC	65204499	Our Company	14 July 2024– 13 July 2034
59	瑞为技术	9	PRC	65203908	Our Company	14 July 2024– 13 July 2034
60	瑞为技术	35	PRC	65206048	Our Company	21 May 2023– 20 May 2033
61	瑞为技术	37	PRC	65200512	Our Company	7 December 2022– 6 December 2032
62	瑞为技术	38	PRC	65200876	Our Company	14 July 2024– 13 July 2034
63	瑞为技术	39	PRC	65198500	Our Company	14 July 2024– 13 July 2034
64	瑞为技术	42	PRC	65210596	Our Company	28 November 2022– 27 November 2032
65	瑞为技术	45	PRC	65443952	Our Company	7 December 2022– 6 December 2032
66	RECONOVA	7	PRC	65221160	Our Company	28 November 2022– 27 November 2032
67	RECONOVA	9	PRC	65225235	Our Company	14 July 2024– 13 July 2034
68	RECONOVA	35	PRC	65212210	Our Company	28 November 2022– 27 November 2032

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
69		37	PRC	65201336	Our Company	28 November 2022– 27 November 2032
70		38	PRC	65212588	Our Company	14 July 2024– 13 July 2034
71		39	PRC	65213641	Our Company	14 July 2024– 13 July 2034
72		42	PRC	65221855	Our Company	21 December 2022– 20 December 2032
73		45	PRC	65222065	Our Company	28 November 2022– 27 November 2032
74		7	PRC	65207475	Our Company	14 January 2023– 13 January 2033
75		9	PRC	65203917	Our Company	21 April 2024– 20 April 2034
76		35	PRC	65201293	Our Company	14 January 2023– 13 January 2033
77		37	PRC	65212547	Our Company	14 January 2023– 13 January 2033
78		38	PRC	65212565	Our Company	14 January 2023– 13 January 2033
79		39	PRC	65209391	Our Company	14 January 2023– 13 January 2033
80		42	PRC	65200914	Our Company	21 April 2024– 20 April 2034
81		45	PRC	65198111	Our Company	14 January 2023– 13 January 2033
82		9	PRC	76089747	Our Company	7 September 2024– 6 September 2034
83		35	PRC	76083789	Our Company	7 September 2024– 6 September 2034
84		42	PRC	76083796	Our Company	7 September 2024– 6 September 2034
85	Recadas	9	PRC	40501783	Shenzhen Reconova	14 April 2020– 13 April 2030

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Validity Period
86	Recadas	35	PRC	40500927	Shenzhen Reconova	7 July 2020– 6 July 2030
87	Recadas	39	PRC	40496046	Shenzhen Reconova	14 April 2020– 13 April 2030
88	Recadas	42	PRC	40518445	Shenzhen Reconova	14 April 2020– 13 April 2030
89	Recadas	45	PRC	40505443	Shenzhen Reconova	14 April 2020– 13 April 2030
90	 瑞为技术 瑞为技术 RECONOVA RECONOVA	9,35, 42	Hong Kong	306797846	Our Company	28 January 2025– 27 January 2035

(c) *Copyrights*

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Owner	Copyright Number	First Publication Date	Expiry Date	Place of Registration
1	RecoGesture Real time hand gesture recognition software V1.0 (RecoGesture實時手勢識別軟件V1.0)	Our Company	2012SR099459	15 May 2012	31 December 2062	PRC
2	Reconova FacePass Park Management System V1.0 (瑞为FacePass智慧商舖系統V1.0)	Our Company	2015SR093622	30 August 2014	31 December 2064	PRC
3	Fatigue warning system Fatidog V1.0 (疲勞預警系統Fatidog V1.0)	Our Company	2016SR128550	07 January 2016	31 December 2066	PRC
4	StoreCloud Android version system V1.0 (店客雲及Android版軟件v1.0)	Our Company	2016SR345273	13 August 2016	31 December 2066	PRC
5	StoreCloud iOS version software V1.0 (店客雲及iOS版軟件V1.0)	Our Company	2016SR344997	16 August 2016	31 December 2066	PRC
6	StoreCloud store perception system V1.0 (店客雲及門店感知系統V1.0)	Our Company	2016SR345365	13 August 2016	31 December 2066	PRC
7	FaceTrack personnel trajectory analysis system V1.0 (FaceTrack人員軌跡分析系統V1.0)	Our Company	2017SR155016	30 December 2016	31 December 2066	PRC
8	AutoTrack vehicle trajectory analysis system V1.0 (AutoTrack車輛軌跡分析系統V1.0)	Our Company	2017SR163909	16 December 2016	31 December 2066	PRC
9	Attention interaction analysis software V1.0 (關注度互動分析軟件V1.0)	Our Company	2017SR230241	20 November 2016	31 December 2066	PRC
10	Identity verification terminal software V1.0 (人證核驗終端設備軟件V1.0)	Our Company	2018SR739813	not published	30 May 2066	PRC
11	Smart access terminal software V1.0 (智能通行終端設備軟件V1.0)	Our Company	2018SR739809	15 November 2017	31 December 2067	PRC
12	Multi-modal real-time human feature recognition display software V1.0 (多維度實時人形特徵識別展示軟件V1.0)	Our Company	2019SR0021321	30 October 2018	31 December 2068	PRC
13	Real-scene heatmap software V1.0 (實景熱力圖軟件V1.0)	Our Company	2019SR1444590	18 May 2019	31 December 2069	PRC

No.	Copyright Name	Owner	Copyright Number	First Publication Date	Expiry Date	Place of Registration
14	Cash register automatic registration software V1.0 (收銀台自動註冊軟件V1.0)	Our Company	2019SR1414196	20 May 2019	31 December 2069	PRC
15	Business opportunity management Android version software V1.0 (商機管理Android版軟件V1.0)	Our Company	2019SR1140294	15 August 2019	31 December 2069	PRC
16	LINTIS Flight Information System V1.0 (靈悉智能航班顯示系統[簡稱:靈悉智慧航顯]V1.0)	Our Company	2021SR0307826	25 September 2020	31 December 2070	PRC
17	MrRay AI service robot system V1.0 (曉瑞AI服務機器人系統[簡稱:曉瑞AI機器人]V1.0)	Our Company	2021SR0307827	25 September 2020	31 December 2070	PRC
18	SINHON Business System V1.0 (星漢智慧商業操作系統[簡稱:星漢智慧平台]V1.0)	Our Company	2021SR0375967	16 November 2020	31 December 2070	PRC
19	TickWay self-service passage detection and intelligent decision system V1.0 (萬衛自助通道探測與智能決策系統V1.0)	Our Company	2022SR1381054	30 June 2022	31 December 2072	PRC
20	TickWay AI smart access control system V1.0 (萬衛AI智慧通行控制系統V1.0)	Our Company	2022SR1381053	30 June 2021	31 December 2071	PRC
21	LINTIS smart inquiry, navigation and passenger guidance management system V1.0 (靈悉智慧問詢導航導乘管理系統[簡稱:問詢導航管理系統]V1.0)	Our Company	2022SR1408168	30 June 2021	31 December 2071	PRC
22	Recadas driving safety assistance software V1.0 (Recadas安全駕駛輔助終端軟件[簡稱:Recadas]V1.0)	Shenzhen Reconova	2018SR396472	22 March 2018	31 December 2068	PRC
23	Recadas driver behaviour analysis terminal software V1.0 (Recadas駕駛員行為分析終端軟件[簡稱:Recadas]V1.0)	Shenzhen Reconova	2018SR522408	22 February 2018	31 December 2068	PRC
24	Recadas driving safety assistance software V2.0 (Recadas安全駕駛輔助終端軟件[簡稱:Recadas]V2.0)	Shenzhen Reconova	2019SR1130097	20 May 2019	31 December 2069	PRC
25	DSM active safety equipment software V1.0 (DSM主動安全設備軟件[簡稱:DSM]V1.0)	Shenzhen Reconova	2020SR0186371	26 November 2019	31 December 2069	PRC
26	RMS streaming media forwarding service platform software V2.1 (RMS流媒體轉發服務平台軟件V2.1)	Shenzhen Reconova	2020SR1837780	12 October 2020	31 December 2070	PRC
27	Binocular vehicle blind spot detection warning system V1.0 (雙目車輛盲區預警系統[簡稱:BSD]V1.0)	Shenzhen Reconova	2020SR1829596	30 August 2020	31 December 2070	PRC
28	Driver safety belt detection voice alert and recording system V1.0 (駕駛員未系安全帶識別語音報警和錄像系統[簡稱:安全帶識別系統]V1.0)	Shenzhen Reconova	2020SR1829597	28 October 2020	31 December 2070	PRC
29	Recadas platform V1.4.0 (瑞馳道安平台V1.4.0)	Shenzhen Reconova	2020SR1801111	30 September 2020	31 December 2070	PRC
30	Safety driving assistance terminal equipment and DVR manufacturer interaction system V1.0 (安全輔助駕駛終端設備與DVR廠商交互系統[簡稱:交互系統]V1.0)	Shenzhen Reconova	2020SR1743932	31 October 2020	31 December 2070	PRC
31	In-vehicle equipment operational status inspection software V1.0 (車載設備運行狀態檢驗軟件V1.0)	Shenzhen Reconova	2024SR2219301	21 October 2024	31 December 2074	PRC
32	In-vehicle equipment single beidou module inspection software V1.0 (車載設備單北斗模塊檢驗軟件V1.0)	Shenzhen Reconova	2025SR0064402	21 October 2024	31 December 2074	PRC

(d) *Domain Names*

As of the Latest Practicable Date, we had registered and maintained ownership to the following domain names in the PRC which we consider to be or may be material to our business:

No.	Domain	Owner	Expiry Date
1.	reconova.com	Our Company	5 May 2027
2.	reconova.cn	Our Company	31 December 2026

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts and Appointment Letters

Each of our executive Directors and non-executive Directors has entered into a service contract with our Company for an initial term of three years, and we signed service contract with each of our independent non-executive Directors. The service contracts are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed in this prospectus, none of our Directors has entered, or has proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

2. Remuneration of Directors

The aggregate amounts of remuneration expenses for our Directors for the three years ended 31 December 2023, 2024 and 2025 were approximately RMB7.9 million, RMB5.1 million and RMB3.9 million, respectively.

The five highest paid individuals for the three years ended 31 December 2023, 2024 and 2025 included two, two and one Directors. The aggregate amounts of remuneration paid by us to the remaining three, three and four highest paid individuals for the three years ended 31 December 2023, 2024 and 2025 were approximately RMB2.9 million, RMB4.3 million and RMB7.3 million, respectively.

It is estimated that, under the arrangements currently in force, the aggregate amount of remuneration payable to our Directors for the year ending 31 December 2026 will be approximately RMB1.6 million (excluding any discretionary bonus but including historical share-based payment expenses).

During the Track Record Period, no fees were paid by our Group to any of our Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director has waived or agreed to waive any emoluments.

3. Disclosure of interests

(a) Disclosure of interests of Directors and chief executive of our Company

Immediately following the completion of the Global Offering, the interest and/or short position (as applicable) of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the H Shares are listed, will be as follows:

Interests in our Company

Name of Shareholder	Nature of interest	Shares held as at the Latest Practicable Date and immediately prior to the Global Offering		Class of Shares	Shares held in the total share capital of our Company immediately following the completion of the Global Offering	
		Number of Shares	Shareholding percentage (Approximate %)		Number of Shares	Shareholding percentage (Approximate %)
Mr. Zhan	Beneficial owner	76,884,535	27.74	H Shares	76,884,535	25.18
	Interest in by controlled corporation (note 2)	24,389,160	8.80	H Shares	24,389,160	7.99
	Interest held jointly with other persons (note 3)	19,610,825	7.07	H Shares	19,610,825	6.42
Mr. Han Songguang	Beneficial owner	3,781,625	1.36	H Shares	3,781,625	1.24
	Interest held jointly with other persons (note 3)	117,102,895	42.24	H Shares	117,102,895	38.36

Notes:

- (1). All the interests stated are long positions.
- (2). Mr. Zhan is the general partner of each of Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership. Mr. Zhan is deemed to be interested in all the Shares held by Ruiyuan Technology Partnership, Shenzhen Ruiyuan Technology Partnership and Ruiyitong Technology Partnership.
- (3). Pursuant to the concert party agreements entered into by Mr. Zhan with Mr. Su Xiaosheng, Ms. Chi Chang and Mr. Han Songguang (collectively referred to as the "Concert Parties"), the Concert Parties had agreed to act in concert in exercising Shareholders' rights pertaining to our Company and would reach consensus and act in concert in respect of their voting rights on matters relating to the operation and management of our Company.

Save as disclosed above, none of the Directors or the chief executive of our Company will, immediately following the completion of the Global Offering and the conversion of the Domestic Shares into H Shares, have an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or any interests and/or short positions (as applicable) in the shares, underlying shares or debentures of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) 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), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange.

(b) Disclosure of interests of substantial shareholders

Save as disclosed in “Substantial Shareholders” in this prospectus, immediately following the completion of the Global Offering, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

4. Agency Fees or Commissions Received

Save as disclosed in “Underwriting” of this prospectus, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

- (a) Save as disclosed in “C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of interests” in this appendix, none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning 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 or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed.
- (b) None of our Directors or any of the experts referred to under “D. Other Information — 12. Qualification of Experts” in this appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.
- (c) Save as disclosed in “C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of interests” in this appendix, so far as is known to our Directors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) will, immediately following the completion of the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

- (d) None of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group for each year or period during the Track Record Period.

D. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

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 is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

3. Application for Listing

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, (i) the Domestic Shares to be converted into H Shares; and (ii) the H Shares to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

4. Joint Sponsors' Independence

The Joint Sponsors satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Joint Sponsors in connection with the Listing by our Company is US\$1.1 million.

5. Compliance Adviser

Our Company has appointed Maxa Capital Limited as our compliance adviser in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

6. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

7. Promoter

See "History and Corporate Structure — Establishment and Major Corporate Development of our Company" for details of our promoters.

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

8. Consents of Experts

Each of the experts as referred to in “D. Other Information — 12. Qualification of Experts” in this appendix has given and has not withdrawn its consent to the issuance of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has 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 our Company or any of our subsidiaries.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This prospectus is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this prospectus and the Chinese translation, the English language version of this prospectus shall prevail.

11. Taxation of Holders of H Shares***(a) Hong Kong***

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisers

Intending holders of the H Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

12. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained herein:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of the regulated activities as defined under the SFO
CCB International Capital Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
ABCI Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
King & Wood	Legal advisers as to PRC laws
Sherman Shi Law Group P.C.	Legal advisers as to US laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan	Independent industry consultant

13. No Material Adverse Change

Our Directors believe that there has been no material adverse change in the financial or trading position since 31 December 2025 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

14. Miscellaneous

- (a) Save as disclosed in “History and Corporate Structure — Pre-IPO Investments”, within the two years immediately preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash.
- (b) No share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option.
- (c) Our Company has not issued nor agreed to issue founder, management or deferred shares or any deferred debentures.
- (d) Our Company has no outstanding convertible debt securities or debentures.
- (e) Save as disclosed in “Underwriting — Commissions and Expenses”, within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries.

- (f) Within the two years immediately preceding the date of this prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.
- (g) There is no arrangement under which future dividends are waived or agreed to be waived.
- (h) There has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months.
- (i) Our Company is not presently listed on any stock exchange or traded on any trading system.

E. SHARE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and Ruiyitong Technology Partnership were established as our share incentive platforms (collectively, the “**Share Incentive Platforms**”). The sole general partner of Shenzhen Ruiyuan Technology Partnership, Ruiyuan Technology Partnership and Ruiyitong Technology Partnership is Mr. Zhan.

Since 2019, we have entered into grant agreements with our employees (the “**Grant Agreements**”) to award partnership interests in Shenzhen Ruiyuan Technology Partnership and Ruiyuan Technology Partnership to our employees. Pursuant to the shareholders’ resolutions on 10 April 2025, our Company had further adopted a share incentive scheme (the “**Share Incentive Scheme**”) and we had awarded partnership interests in Ruiyitong Technology Partnership, our another share incentive platform, to our employees.

According to the Share Incentive Scheme and the Grant Agreements, our certain employees were granted awards and registered as the limited partners of relevant share incentive platforms upon grants or exercise of their awards. All management powers of the Share Incentive Platforms are exercised by their respective sole general partner, according to the respective partnership agreements, whereas the relevant employees as the limited partners of such share incentive platforms are entitled to the economic interest.

The Grant Agreements and the Share Incentive Scheme will not involve the grant of new Shares or options by our Company to subscribe for new Shares after Listing and are not subject to Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the Share Incentive Scheme and the grant agreement:

(a) Source of award and consideration for the award

The award would be granted in the form of partnership interest in the Share Incentive Platforms and did not involve issue of new Shares by our Company.

The consideration payable by the employees for the award of the partnership interests pursuant to the Grant Agreements was 10% of the value of the Shares of our Company as represented by the awarded partnership interests. The consideration payable by the employees for the award of the partnership interests pursuant to the Share Incentive Scheme was RMB1.83 for each unit of the awarded partnership interest.

(b) Vesting condition

The grant of the award in the form of partnership interest in the Share Incentive Platforms to the relevant employee (the “**grantee**”) under the Grant Agreements is subject to a vesting period that, for most grantees, generally spans four years from the date of grant. The partnership interests will be vested in four equal tranches during the aforesaid

four-year period. For the partnership interests awarded pursuant to the Share Incentive Scheme, they will be vested 48 months after the date of the shareholders' resolutions approving the adoption of the Share Incentive Scheme.

(c) Distribution of profits

In the event that the Share Incentive Platforms receive dividend from our Company, the general partner of the Share Incentive Platforms may, after deducting the costs and expenses in relation to the operation and maintenance of the Share Incentive Platforms, distribute the remaining dividends to the grantees in proportion of the partnership interest in the Share Incentive Platforms.

(d) Lock-up period

During the period commencing from the date on which the grantee obtains partnership interest in the Share Incentive Platforms and up to the expiry of the lock-up period for the Shares held by the Share Incentive Platforms pursuant to the Listing Rules and the applicable PRC laws, the grantee shall not transfer, pledge, charge or create any form of encumbrances over any of his/her partnership interest in the Share Incentive Platforms.

(e) Cessation of employment with our Company

If the grantee, for whatever reason, ceases to be an employee of our Company (the “**outgoing grantee**”), save as otherwise agreed by the general partner of the Share Incentive Platforms, the outgoing grantee shall transfer all of his/her partnership interest in the Share Incentive Platforms to other employee(s) of our Company. The consideration for such transfer shall be separately agreed between the outgoing grantee and the transferee.

For details of our Share Incentive Platforms, see “History and Corporate Structure — Share Incentive Platforms”.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “B. Further Information about our Business — 1. Summary of Our Material Contracts” in Appendix IV to this prospectus; and
- (b) the written consents referred to in “D. Other Information — 8. Consents of Experts” in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.reconova.com and on the website of the Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the accountant’s report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for the years ended 31 December 2023, 2024 and 2025;
- (d) the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set forth in Appendix II to this prospectus;
- (e) the industry report issued by Frost & Sullivan referred to in the section headed “Industry Overview” in this prospectus;
- (f) the PRC legal opinions issued by King & Wood, our PRC Legal Adviser, in respect of certain general corporate matters and our Group’s business operations in the PRC;
- (g) the US legal opinions issued by Sherman Shi Law Group P.C., our US Legal Advisers, in respect of certain US law matters;
- (h) the material contracts referred to in “B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this prospectus;
- (i) the service contracts referred to in “C. Further Information about our Directors and Substantial Shareholders — 1. Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix IV to this prospectus;
- (j) the written consents referred to in “D. Other Information — 8. Consents of Experts” in Appendix IV to this prospectus; and
- (k) the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.

