

LDROBOT

深圳樂動機器人股份有限公司 SHENZHEN LDROBOT CO., LTD

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

Stock Code : 01236

GLOBAL OFFERING

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



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



Joint Bookrunners and Joint Lead Managers



IMPORTANT

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

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	33,333,400 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	3,333,400 H Shares (subject to adjustment)
Number of International Offer Shares	30,000,000 H Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	HK\$30.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	RMB0.10 per H Share
Stock code	1236

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



國泰海通
GUOTAI HAITONG

海通國際
HAITONG



國泰海通
GUOTAI HAITONG

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

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



CICC 中金公司



國投證券國際
SDICSI

Joint Bookrunners and Joint Lead Managers

富途證券
FUTU Securities International

東方證券 國際
DFZQ

民銀資本
MINYIN CAPITAL HOLDINGS LIMITED



金橋證券
GOLDBRIDGE SECURITIES

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

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

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or around Thursday, May 7, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Thursday, May 7, 2026 (Hong Kong time). The Offer Price will not be more than HK\$30.00 per Offer Share and is currently expected to be not less than HK\$24.00 per Offer Share. If, for any reason, the Offer Price is not agreed by 12:00 noon on Thursday, May 7, 2026 (Hong Kong time) between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us, the Global Offering will not proceed and will lapse.

The Sponsor-Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate and with the Company's consent, reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range below that is stated in this prospectus (which is HK\$24.00 to HK\$30.00) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the website of the Company at www.ldrobot.com and on the website of the Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set forth in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$30.00 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK\$30.00 per Hong Kong Offer Share.

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

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S), except in transactions exempt from, or 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 may be offered and sold outside the United States to persons that are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S. There has been and will be no public offering of the H Shares in the United States.

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 Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.ldrobot.com. If you require a printed copy of this prospectus, you may download and print from the websites above.

April 30, 2026

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

To apply for the Hong Kong Offer Shares, you may

- (1) apply online via the **HK eIPO White Form** service at www.hkeipo.hk; or
- (2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, 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.

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 (Chapter 32 of the Laws of Hong Kong).

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

Please refer to the section headed “How to Apply for 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.

IMPORTANT

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table. 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 maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to prefund 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	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
200	6,060.51	4,000	121,210.20	60,000	1,818,153.00	800,000	24,242,040.00
400	12,121.02	5,000	151,512.76	70,000	2,121,178.50	900,000	27,272,295.00
600	18,181.54	6,000	181,815.30	80,000	2,424,204.00	1,000,000	30,302,550.00
800	24,242.05	7,000	212,117.86	90,000	2,727,229.50	1,200,000	36,363,060.00
1,000	30,302.56	8,000	242,420.40	100,000	3,030,255.00	1,400,000	42,423,570.00
1,200	36,363.05	9,000	272,722.96	200,000	6,060,510.00	1,666,600 ⁽¹⁾	50,502,229.84
1,400	42,423.56	10,000	303,025.50	300,000	9,090,765.00		
1,600	48,484.08	20,000	606,051.00	400,000	12,121,020.00		
1,800	54,544.59	30,000	909,076.50	500,000	15,151,275.00		
2,000	60,605.10	40,000	1,212,102.00	600,000	18,181,530.00		
3,000	90,907.66	50,000	1,515,127.50	700,000	21,211,785.00		

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

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

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

EXPECTED TIMETABLE⁽¹⁾

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on our website at www.ldrobot.com⁽⁶⁾ and the website of the Stock Exchange at <http://www.hkexnews.hk>.

Hong Kong Public Offering commences 9:00 a.m. on Thursday,
April 30, 2026

Latest time for completing electronic applications under the
HK eIPO White Form service through the designated website
at www.hkeipo.hk⁽²⁾ 11:30 a.m. on Wednesday,
May 6, 2026

Application lists of the Hong Kong Public Offering open⁽³⁾ 11:45 a.m. on Wednesday,
May 6, 2026

Latest time for (a) completing payment of **HK eIPO White Form**
applications by effecting internet banking transfer(s) or PPS
payment transfer(s) and (b) submitting electronic application
instruction to HKSCC through HKSCC's FINI system⁽⁴⁾ 12:00 noon on Wednesday,
May 6, 2026

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

Application lists of the Hong Kong Public Offering close⁽³⁾ 12:00 noon on Wednesday,
May 6, 2026

Expected Price Determination Date⁽⁵⁾ at or before 12:00 noon on
Thursday, May 7, 2026

Announcement of the Offer Price on our website at
www.ldrobot.com⁽⁶⁾ and the website of the Stock
Exchange at www.hkexnews.hk on or around Friday, May 8, 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 Offer Shares on our website at www.ldrobot.com⁽⁶⁾
and the website of the Stock Exchange at www.hkexnews.hk . . no later than 11:00 p.m. on
Friday, May 8, 2026

EXPECTED TIMETABLE⁽¹⁾

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

- in the announcement to be posted on our website and the website of the Stock Exchange at www.ldrobot.com⁽⁶⁾ and www.hkexnews.hk, respectively no later than 11:00 p.m. on Friday, May 8, 2026
- from the designated results of allocations website at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/IPOResult) with a "search by ID" function from 11:00 a.m. on Friday, May 8, 2026 to 12:00 midnight on Thursday, May 14, 2026
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Monday, May 11, 2026 to Thursday, May 14, 2026 (except Saturday, Sunday and Hong Kong public holidays)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, May 7, 2026

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁷⁾⁽⁹⁾ Friday, May 8, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund checks in respect of wholly or partially successful applications if the final Offer Price is less than the maximum Offer Price per Offer Share initially paid on application (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before⁽⁸⁾⁽⁹⁾ Monday, May 11, 2026

Dealings in the H Shares on the Stock Exchange expected to commence at 9:00 a.m. on Monday, May 11, 2026

Notes:

- (1) All dates and times refer to Hong Kong local dates and time, except as otherwise stated.
- (2) You will not be permitted to submit your application 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 prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, May 6, 2026, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares—E. Bad Weather Arrangements."

EXPECTED TIMETABLE⁽¹⁾

- (4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel or instructing your **broker** or **custodian** to apply on your behalf via **HKSCC EIPO** channel should refer to the section headed “How to Apply for Hong Kong Offer Shares—A. Application for Hong Kong Offer Shares—2. Application Channels.”
- (5) The Price Determination Date is expected to be on or before Thursday, May 7, 2026. If, for any reason, we do not agree with the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) on the pricing of the Offer Shares by 12:00 noon on Thursday, May 7, 2026, the Global Offering will not proceed and will lapse.
- (6) None of the websites set out in this section or any of the information contained on the websites forms part of this prospectus.
- (7) No temporary document of title will be issued in respect of the Offer Shares. H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with their respective terms at or before that time. Investors who trade H Shares on the basis of publicly available allocation details or prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant’s identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund check. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund check.
- (9) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Individuals must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed “How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of H Share Certificates and Refund of Application Monies” 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) dispatched 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) dispatched to the address as specified in their application instructions in the form of refund check(s) in favour of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

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

Further information is 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.”

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

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering. Information contained on our website, located at www.ldrobot.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 this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in “Risk Factors” of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Your investment decision should be made in light of these considerations.

OVERVIEW

Who We Are

We are a company offering visual perception products and robot lawn mowers.

Our Business

We are one of the companies possessing a set of intelligent robot visual perception technology product matrix, encompassing a wide range of innovative intelligent robot LiDAR products. Our intelligent visual perception products are integrated into a wide range of complete robots such as robotic vacuum cleaners, robot lawn mowers, room service robots, restaurant service robots, inspection robots and logistics robots. Seizing the global growth opportunities in the intelligent robot lawn mower market, we have efficiently developed and successfully commenced mass production of complete intelligent robot lawn mowers. Focusing on multi-modal perception technology and AI algorithms, we have developed a wide range of capabilities from underlying R&D technologies to advanced application implementations in the field of intelligent robots. We also possess in-house capacities for the design and manufacturing of complete robots. With our continued product innovation, we are developing products tailored for emerging scenarios, such as intelligent garden maintenance system, and expanding our brand in the overseas.

Headquartered in China, we are strategically expanding our footprint in overseas markets. We have established R&D, production bases in Shenzhen and a technical support center in Suzhou. We are also setting up operation centers in Singapore, Hong Kong and Germany, along with production collaborations in Vietnam, to ensure efficient overseas R&D, production, sales and services. We have established close cooperation with more than 300 robotics and related companies. As of the Latest Practicable Date, our products and services reached end users in more than 50 countries and regions. We manage factories of more than 20,000 square meters, and have established a reliable supply chain ecosystem. This supports our R&D, design and manufacturing of visual perception and complete robotic products, thereby ensuring stable and flexible deliveries of products with high-quality services.

Operational Data

Our technological innovation capabilities, combined with a set of intelligent robot visual perception product matrix, intelligent robot technical scalability and the full-cycle “R&D–production–sales–operation–service” management system have earned us brand recognition and customer trust. During the Track Record Period, our customers included seven of the world’s top ten household service robot companies and all of the world’s top five commercial service robot companies, according to CIC. In 2023, 2024 and 2025, our revenue generated from seven of the world’s top ten household service robot companies amounted to RMB60.6 million, RMB146.7 million and RMB201.2 million, respectively. Our revenue generated from the world’s top five commercial service robot companies amounted to RMB1.6

SUMMARY

million, RMB0.7 million and RMB4.5 million, respectively, during the same period. Our group customer retention rate reached approximately 84.0% in 2023, 90.0% in 2024 and 100.0% in 2025. In addition, our group customer net dollar retention rate reached approximately 113.0% in 2023, 145.0% in 2024 and 133.0% in 2025. The table below sets forth our key operating data during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
Visual Perception Products			
Revenue (RMB in thousands)			
Sensors	167,297	340,572	434,683
Algorithm modules	106,858	98,706	171,769
Gross profit (RMB in thousands)			
Sensors	30,994	51,689	88,744
Algorithm modules	39,955	30,862	44,631
Gross profit margin (%)			
Sensors	18.5	15.2	20.4
Algorithm modules	37.4	31.3	26.0
Average selling price (RMB per unit)			
Sensors	61.9	48.9	42.3
Algorithm modules	130.1	98.3	77.6
Sales volume (units)			
Sensors	2,702,497	6,958,339	10,287,358
Algorithm modules	821,064	1,004,541	2,213,741
Robot Lawn Mowers			
Revenue (RMB in thousands)	63	23,272	136,896
Gross profit (RMB in thousands)	31	7,808	57,932
Gross profit margin (%)	49.2	33.6	42.3
Average selling price (RMB per unit)	2,722.0	2,297.1	3,794.3
Sales volume (units)	23	10,131	36,079

Our Development Path

Focusing on intelligent robot visual perception as the entry point, we identify diverse needs in the developing robotics industry, emerging sectors in vertical scenarios and pursue our mission to improve life quality through technology.

First Growth Curve

Visual perception technologies and products represent the first growth curve of our business. We believe that visual perception technology is one of the core technologies for the application and continuous development of intelligent robots. Accordingly, we have been focusing primarily on the research and development of visual perception technologies and products for intelligent robots. We launched our first-generation of LiDAR and simultaneous localization and mapping (SLAM) algorithms in 2018 and the world's first consumer-grade Mini DTOF LiDAR in 2020, which enabled us to expand the application of our advanced intelligent robot visual perception technology in various sectors. With our robust R&D capabilities and extensive experience in intelligent robot applications, we have gradually developed a wide range of visual perception products and enhanced AI spatial algorithms for mass-produced intelligent robots, creating a solid foundation of intelligent robot perception

SUMMARY

infrastructure. In 2025, our visual perception technologies empowered over nine million units of intelligent robot products, marking a significant milestone for the first growth curve of our business. In the same year, we shipped over 4,000,000 units of DTOF LiDAR, the most in the industry.

Second Growth Curve

Intelligent robot lawn mowers constitute the second growth curve of our business. Leveraging years of expertise in visual perception technology and self-developed general-purpose robotics R&D platforms, we have gradually extended our business downstream and developed capabilities for the R&D, design and mass production of complete intelligent robots. Through research on technology and product trends, compatibility testing of key technologies with practical use cases and assessment of market potential, we identified our entry point into complete intelligent robots to begin with intelligent robot lawn mowers. Our market research showed significant potential for robot lawn mowers, especially in Europe, North America and Australia. We applied our accumulated visual perception technologies into our first-generation intelligent robot lawn mowers, achieving mass production and sales of over 10,000 units in 2024. Through continuous technological innovation and product iteration, we achieved mass production of our second-generation intelligent robot lawn mowers in 2025, integrating our AI-powered scenario recognition and boundary detection algorithms to enhance adaptability and environmental perception. Leveraging first-mover technology, products and industry insights, we are rapidly expanding our overseas business with intelligent robot lawn mowers, creating our second growth curve.

Growth Achievement

As a result of our business growth, we achieved rapid increase in revenue from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025, representing a CAGR of approximately 64.4% from 2023 to 2025.

OUR COMPETITIVE STRENGTHS

We continue to strengthen our competitive edge to enhance our market position. Our success is attributed to the following competitive strengths, which we believe will continue to drive our future development:

- Solid technological advantages and robust R&D strength;
- Product commercialization to empower various vertical scenarios;
- Agile supply chain system empowering the intelligent robotics industry chain;
- Fueling our second growth curve with robot lawn mowers; and
- Experienced management team with strong support from our top tier investors.

See “Business—Our Competitive Strengths.”

SUMMARY

OUR STRATEGIES

To support our overall growth, we have formulated the following key development strategies:

- Strengthen R&D capabilities in visual perception technologies and gradually achieve full-scale empowerment through AI;
- Iterate our visual perception product and solutions and explore complete robot products in vertical applications;
- Deepen our overseas strategy and expand customer base worldwide; and
- Continue to optimize and expand production to support large-scale shipments.

See “Business—Our Strategies.”

OUR CORE TECHNOLOGIES

We specialize in the R&D of fundamental technologies for intelligent robots. We have successfully developed, produced and mass-manufactured a wide set of visual perception products and AI-powered spatial perception algorithms in the intelligent robotics industry, which forms a solid foundation for intelligent robots. Leveraging our extensive expertise in visual perception infrastructure, we have vertically integrated downstream to develop and produce complete intelligent robot systems. Our core technologies cover a variety of scenarios, including mapping and positing, multi-modal perception, planning and control, AI technology and simulation and automated testing. We also created a general-purpose robotics development platform, AutoPack, which adopts a modular design, enabling compatibility with a wide variety of sensors and rapid configuration of solutions.

COMPETITION

The market competition of visual perception technology industry and robot lawn mower industry is intense. We face competition in every major aspect of our business. We compete mainly on product functionality and scope, performance, service scalability and reliability, technical strengths, marketing and sales capabilities, user experience, pricing, brand awareness and reputation. In addition, emerging and enhanced technologies are likely to further intensify competition of our industry. For details, please refer to “Industry Overview—Analysis of Global Intelligent Robot Visual Perception Technology Market—Competitive Landscape.”

BUSINESS SUSTAINABILITY

Our Historical Net Losses

We achieved sustained business growth but were loss-making during the Track Record Period. Our revenue increased from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025. The continuous growth was attributed to two drivers: our visual perception products and intelligent robot lawn mowers. In addition, our gross profit increased from RMB71.1 million in 2023 to RMB91.3 million in 2024, and further to RMB191.9 million in 2025. Our gross profit margin also increased significantly from 19.5% in 2024 to 25.7% in the same period in 2025.

SUMMARY

Since our establishment in 2017, we have generally been loss-making. Despite our rapid growth, our revenue had yet been able to fully cover the various costs and expenses incurred during the Track Record Period. In 2023, 2024 and 2025, we had net losses of RMB68.5 million, RMB56.5 million and RMB62.5 million, respectively. We expect continue to record net losses in the foreseeable future, including in 2026. Our net losses were primarily attributable to R&D and market expansion of robot lawn mower, which was still in the ramp-up phase. In the early stage of its development, revenue from robot lawn mower was in limited scale and therefore was not able to cover the relevant costs and expenses. We had also incurred research and development expenses, while to a limited extent, in exploring other complete robotics products. Through such R&D efforts, we identified robot lawn mower as our second growth driver in view of its significant market potential and compatibility with our technological capabilities. In addition, our net losses were also attributable to R&D and market expansion of visual perception products to a lesser extent.

Path to Achieve Profitability

Our goal is to attain sustained business success and financial returns within the rapidly expanding intelligent robot industry. We will focus on revenue growth and improvement of operating efficiency to achieve profitability.

Revenue Growth

Revenue growth is key to achieving profitability. We have built a robust technological foundation and a suite of visual perception products, which empower a wide range of intelligent robot products, including robot lawn mowers. Leveraging the significant market potential of intelligent robot market, as well as our technology strengths, we are well positioned to enhance and upgrade product offerings in response to emerging market opportunities and continue to achieve revenue growth. We plan to increase our revenue relying on (i) an expanded sales network through strengthened relationships with existing customers and acquisition of new customers; (ii) expansion into new high-value international markets; and (iii) a diversified product mix through technological upgrade and product iteration.

Improve Gross Profit Margin

We plan to continuously promote product iteration, optimize our existing product line, strengthen product differentiation and sustain business growth. We aim to enhance sales of higher-margin products and promote mass production of these products to meet the increased sales volume. As our sales volume continues to increase, we are gradually benefiting from economies of scale, particularly with our visual perception products. In addition, with the commencement of mass production for both generations of robot lawn mowers, we expect to increase sales volume of robot lawn mowers and achieve economies of scale for this product line as well.

Improving Operating Efficiency

Improvement of our operating efficiency is also a significant factor to achieve profitability. Specifically, we plan to (i) adopt technological advancement to optimize R&D efficiency; and (ii) implement expenditure control measures to reduce expenses and improve operational effectiveness.

See “Business—Business Sustainability and Path to Profitability” for details. Taking into account our historical growth, the market opportunities and our plan to achieve profitability, we are of the view that we have a sustainable business model.

SUMMARY

SALES CHANNELS

During the Track Record, we sold all visual perception products through offline channels. During the same period, we sold our robot lawn mowers through (i) self-operated store on third-party platform, such as Amazon; (ii) our own website, <https://anthbot.com/>; and (iii) offline channels, including authorized stores and retail stores. In 2023, we only sold robot lawn mowers through offline channels. In 2024 and 2025, we sold robot lawn mowers through third-party platform, our own website and offline channels in the amount of approximately RMB8.1 million, RMB25,000 and RMB15.1 million, respectively, and RMB47.7 million, RMB25.0 million and RMB64.2 million, respectively.

OUR CUSTOMERS AND SUPPLIERS

We have a broad base of customers who procure our sensors, algorithms modules and robot lawn mowers. Our revenue generated from our largest customer in 2023, 2024 and 2025 amounted to RMB45.6 million, RMB71.4 million and RMB119.3 million, respectively, and accounted for 16.5%, 15.3% and 16.0%, respectively, of our revenue during the same year. Our revenue generated from our five largest customers in 2023, 2024 and 2025 accounted for 65.1%, 54.3% and 49.8%, respectively, of our revenue during the same year, respectively. Our suppliers primarily consist of providers for raw materials and components, including optical components, structural components and electronic components. Our transaction amounts with our largest supplier in 2023, 2024 and 2025 amounted to RMB16.2 million, RMB44.8 million and RMB26.6 million, respectively, and accounted for 9.9%, 13.6% and 5.1%, respectively, of our total purchase during those years. Our transaction amounts with our five largest suppliers in 2023, 2024 and 2025 accounted for 35.3%, 42.5% and 22.8%, respectively, of our total purchase during the same year.

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhou, Mr. Guo (by virtue of the Acting in Concert Agreement among Mr. Zhou and Mr. Guo), Ms. Wang (being Mr. Zhou's spouse) and Photon Space (whose general partner is Mr. Zhou and is deemed to be controlled by Mr. Zhou) are collectively interested in approximately 39.61% of our total issued share capital as our Controlling Shareholders. See "Relationship with Our Controlling Shareholders" for further details.

Immediately following the completion the Global Offering, the group of Controlling Shareholders will in aggregate hold approximately 35.65% of the Shares (assuming the Over-allotment Option is not exercised). Therefore, upon Listing, they will remain as a group of Controlling Shareholders and our Company will not have any controlling shareholders as defined under the Listing Rules upon Listing.

PRE-IPO INVESTMENTS

Since our establishment, we have attracted certain Pre-IPO Investors and completed several rounds of financing to raise funds for the development of our business. For further information of the principal terms of the Pre-IPO Investments and the identity and background of our major Pre-IPO Investors, see "History, Development and Corporate Structure—Pre-IPO Investments."

SUMMARY

RISK FACTORS

There are certain risks and uncertainties involved in investing in our H Shares, some of which are beyond our control. These risks are set out in “Risk Factors” in this prospectus. Some of the major risks we face include:

- We recorded net losses and had net operating cash outflows during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the near future.
- The industry in which we operate is highly competitive. If we fail to compete successfully with our existing or potential competitors, our business, results of operations, financial condition and prospects may be materially and adversely affected.
- If we are unable to develop and introduce new products that adapt to changing market demand and customer needs in a timely manner, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.
- We have been and intend to continue investing significantly in R&D, which may not generate the results we expect and therefore may adversely affect our business, results of operations, financial condition and prospects.
- Our key customer and supplier base is relatively concentrated. Our business, financial condition, results of operations and prospects could be adversely affected if our business relationships with these key customers and suppliers are terminated, interrupted, or modified in any way adverse to us.
- We are subject to supply shortages and increased costs of direct materials, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information during the Track Record Period and should be read together with, and are qualified in their entirety by reference to, the Accountants’ Report in Appendix I to this prospectus, including the related notes.

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

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentages)</i>						
Revenue	276,562	100.0	467,345	100.0	747,773	100.0
Cost of sales	(205,453)	(74.3)	(376,028)	(80.5)	(555,828)	(74.3)
Gross profit	71,109	25.7	91,317	19.5	191,945	25.7

SUMMARY

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentages)</i>						
Other income and gains	21,922	7.9	20,258	4.3	21,442	2.9
Selling and marketing expenses	(21,272)	(7.7)	(31,427)	(6.7)	(81,201)	(10.9)
Administrative expenses	(40,831)	(14.8)	(36,925)	(7.9)	(69,458)	(9.3)
Research and development expenses	(95,940)	(34.7)	(94,857)	(20.3)	(121,121)	(16.2)
Impairment losses on financial assets, net	(2,402)	(0.9)	(4,312)	(0.9)	(2,177)	(0.3)
Other expenses	(143)	(0.1)	(68)	(-*)	(1,587)	(0.2)
Finance costs	(934)	(0.3)	(469)	(0.1)	(344)	(-*)
Loss before tax	(68,491)	(24.8)	(56,483)	(12.1)	(62,501)	(8.4)
Income tax expense	-	-	-	-	-	-
Loss for the year	(68,491)	(24.8)	(56,483)	(12.1)	(62,501)	(8.4)
Loss for the year attributable to:						
Owners of the parent	(68,491)	(24.8)	(56,483)	(12.1)	(62,501)	(8.4)

* Less than 0.1.

NON-HKFRS MEASURES

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss and adjusted net loss margin as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe these non-HKFRS measures, when shown in conjunction with the corresponding HKFRS measures, facilitate comparisons of operating performance from period to period and company to company and provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS. We define adjusted net loss as net loss for the year adjusted by adding back equity-settled share-based payment expenses and listing expenses related to the Global Offering and adjusted net loss margin as adjusted net loss divided by revenue. The adjustments have been consistently made during the Track Record Period.

The following table reconciles our adjusted net loss for the years indicated with our net loss, or loss for the years presented in accordance with HKFRS:

	Year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Loss for the year	(68,491)	(56,483)	(62,501)
Add:			
Equity-settled share-based payment expenses ⁽¹⁾	12,715	11,808	22,768

SUMMARY

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Listing expenses related to the Global Offering	—	—	13,644
Adjusted net loss	<u>(55,776)</u>	<u>(44,675)</u>	<u>(26,089)</u>
Adjusted net loss margin⁽²⁾	<u>(20.2)%</u>	<u>(9.6)%</u>	<u>(3.5)%</u>

Notes:

- (1) Equity-settled share-based payment expense is a non-cash expense arising from granting share-based awards to selected employees. It mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result in future cash payments. Share-based payment is recorded under our selling and marketing expenses, administrative expenses and research and development expenses, and equity-settled share-based payment expenses in the above table represents the sum of that recorded under each type of such expenses.
- (2) Adjusted net loss margin (non-HKFRS measure) equals adjusted net loss (non-HKFRS measure) for the year divided by revenue for the year and multiplied by 100%.

We had a net loss of RMB68.5 million, RMB56.5 million and RMB62.5 million in 2023, 2024 and 2025, respectively. Our net losses in the Track Record Period were primarily because we made significant efforts to promote product innovation, technological advancement, scaling up mass production and marketing of new production lines. In 2023, 2024 and 2025, we incurred research and development expenses of RMB95.9 million, RMB94.9 million and RMB121.1 million, respectively, representing 34.7%, 20.3% and 16.2% of our revenue in the corresponding years, respectively. In addition, our net losses during the Track Record Period were also due to our efforts in recruitment and retention of marketing talent and promotion activities. We successfully expanded our client base and geographic presence.

During the Track Record Period, we generated revenue primarily from the sales of visual perception products and robot lawn mowers. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Visual Perception Products						
Sensors	167,297	60.5	340,572	72.9	434,683	58.1
Algorithm modules	106,858	38.6	98,706	21.1	171,769	23.0
	<u>274,155</u>	<u>99.1</u>	<u>439,278</u>	<u>94.0</u>	<u>606,452</u>	<u>81.1</u>
Robot lawn mowers	63	—*	23,272	5.0	136,896	18.3
Others ⁽¹⁾	2,344	0.8	4,795	1.0	4,425	0.6
Total	<u>276,562</u>	<u>100.0</u>	<u>467,345</u>	<u>100.0</u>	<u>747,773</u>	<u>100.0</u>

Note:

- (1) Others mainly refer to revenue generated from the sales of spare parts and consumables.
- * Less than 0.1.

SUMMARY

During the Track Record Period, our revenue increased rapidly from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025. Revenue from visual perception products accounted for the substantial majority of our total revenue during the Track Record Period. The increase in our revenue from visual perception products was primarily due to the increase in sales volume of sensors. Revenue from robot lawn mowers increased to 5.0% of our revenue in 2024, following the commencement of mass production of our first-generation robot lawn mowers. Our revenue from robot lawn mowers further increased to 18.3% of total revenue in 2025, resulting from our continuous sales expansion efforts.

In each year of 2023, 2024 and 2025, substantially of our revenue were generated from Chinese mainland. The following table sets forth our revenue by geographical locations for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Mainland China	275,851	99.7	448,781	96.0	610,275	81.6
Overseas	711	0.3	18,564	4.0	137,498	18.4
Total	<u>276,562</u>	<u>100.0</u>	<u>467,345</u>	<u>100.0</u>	<u>747,773</u>	<u>100.0</u>

For further details, see “Financial Information—Description of Key Components of Our Results of Operations.”

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

	As of December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Total non-current assets	198,762	168,792	65,872
Total current assets	401,382	483,852	609,126
Total current liabilities	139,143	241,971	297,871
Net Current Assets	<u>262,239</u>	<u>241,881</u>	<u>311,255</u>
Total non-current liabilities	8,731	3,123	9,085
Net assets	<u>452,270</u>	<u>407,550</u>	<u>368,042</u>

Our net current assets increased by 28.7% from RMB241.9 million as of December 31, 2024 to RMB311.3 million as of December 31, 2025, primarily due to (i) a significant increase of RMB72.4 million in cash and cash equivalents, (ii) an increase of RMB61.2 million in debt investments at fair value through other comprehensive income, and (iii) an increase of RMB52.5 million in inventories, partially offset by (i) a decrease of RMB89.7 million in prepayments, other receivables and other asset, and (ii) an increase of RMB30.5 million in trade and bills payables. Our net assets decreased from RMB407.6 million as of December 31, 2024 to RMB368.0 million as of December 31, 2025, primarily due to loss for the year of RMB62.5 million, partially offset by share-based payments of RMB22.8 million.

SUMMARY

Our net current assets decreased by 7.7% from RMB262.2 million as of December 31, 2023 to RMB241.9 million as of December 31, 2024, primarily due to (i) an increase of RMB96.8 million in trade and bills payables, and (ii) a decrease of RMB96.1 million in financial assets at FVTPL, partially offset by (i) an increase of RMB73.2 million in prepayments, other receivables and other assets, and (ii) an increase of RMB44.8 million in trade and bills receivables. Our net assets decreased from RMB452.3 million as of December 31, 2023 to RMB407.6 million as of December 31, 2024, primarily due to loss for the year of RMB56.5 million, partially offset by share-based payments of RMB11.8 million.

For further details, see “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position.”

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

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash used in operating activities	(49,148)	(29,104)	(136,473)
Net cash (used in)/generated from investing activities	(159,028)	55,781	220,150
Net cash used in financing activities	(6,619)	(7,438)	(10,507)
Net increase/(decrease) in cash and cash equivalents	(214,795)	19,239	73,170
Cash and cash equivalents at the end of the year	27,585	46,950	119,382

In 2025, we had net cash used in operating activities of RMB136.5 million, which represents our loss before tax of RMB62.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB22.8 million, (ii) depreciation of property, plant and equipment of RMB8.8 million, and (iii) depreciation of right-of-use assets of RMB7.5 million. The amount was further adjusted by negative changes in working capital, primarily including (i) increase in debt investments at fair value through other comprehensive income of RMB61.2 million due to an increase in customers settling with notes receivable, (ii) increase in inventories of RMB54.1 million as we built up inventory levels of robot lawn mowers to ensure timely delivery and meet growing sales in overseas market, (iii) increase in prepayments, other receivables and other assets of RMB25.3 million, and (iv) increase in restricted bank deposits of RMB25.0 million representing guarantee deposits for issuing bill payables, partially offset by increase in trade and bills payables of RMB27.4 million resulting from our increased procurement of direct materials to follow our business expansion.

In 2024, we had net cash used in operating activities of RMB29.1 million, which represents our loss before tax of RMB56.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB11.8 million, (ii) investment income from certificate of deposits of RMB7.3 million, (iii) depreciation of property, plant and equipment of RMB6.7 million, and (iv) depreciation of right-of use assets of RMB6.7 million. The amount was further adjusted by positive changes in working capital, primarily including an increase in trade and bills payables of RMB86.2 million in line with our business growth, partially offset by (i) an increase in trade and bills receivables of RMB38.2 million resulting from our continuous business growth, (ii) an increase in restricted bank deposits of RMB28.0 million, and (iii) an increase in inventories of RMB14.4 million as we procured more raw materials and had more finished goods to meet our increased shipment volume.

SUMMARY

In 2023, we had net cash used in operating activities of RMB49.1 million, which represents our loss before tax of RMB68.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB12.7 million, (ii) investment income from certificate of deposits of RMB7.0 million, (iii) depreciation of right-of use assets of RMB5.6 million, and (iv) depreciation of property, plant and equipment of RMB5.1 million. The amount was further adjusted by negative changes in working capital, primarily including (i) an increase in trade and bills receivables of RMB57.4 million resulting from our business growth, and (ii) an increase in prepayments, other receivables and other assets of RMB7.8 million as we allocated cash from regular bank deposit to certificate of deposits with higher-yield, partially offset by an increase in trade and bills payables of RMB61.8 million resulting from an increase of our procurement of direct materials.

For further details, see “Financial Information—Liquidity and Capital Resources—Cash Flow.”

Our cash and cash equivalents increased from RMB27.6 million as of December 31, 2023 to RMB47.0 million as of December 31, 2024, primarily because we reduced our holdings of wealth management products to enhance liquidity and meet our business needs. Our cash and cash equivalents increased from RMB47.0 million as of December 31, 2024 to RMB119.4 million as of December 31, 2025, primarily because we used the cash from matured wealth management products and certificate of deposits for operating activities or placed it in bank deposits, following a decline in the interest rates of wealth management products and in response to operation needs.

KEY FINANCIAL RATIOS

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

	Year ended December 31,		
	2023	2024	2025
		(%)	
Revenue growth rate ⁽¹⁾	18.3	69.0	60.0
Net loss margin ⁽²⁾	(24.8)	(12.1)	(8.4)
Adjusted net loss margin (non-HKFRS measure) ⁽³⁾ (%)	(20.2)	(9.6)	(3.5)
Gross profit margin ⁽⁴⁾ (%)	25.7	19.5	25.7
Debt to asset ratio ⁽⁵⁾ (%)	24.6	37.6	45.5

Notes:

- (1) Revenue growth rate equals the difference between the revenue for the year indicated and the revenue for the prior year, divided by the revenue for the prior year, and multiplied by 100%.
- (2) Net loss margin equals net loss divided by revenue for the year indicated and multiplied by 100%.
- (3) Adjusted net loss margin (non-HKFRS measure) equals adjusted net loss (non-HKFRS measure) divided by revenue for the year indicated and multiplied by 100%.
- (4) Gross profit margin equals to the gross profit for the year indicated divided by the revenue for the same year, and multiplied by 100%.
- (5) Debt to asset ratio equals to the total liabilities divided by the total assets as of the end of the relevant year and multiplied by 100%.

SUMMARY

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that: (i) the Share Subdivision is completed; (ii) the Global Offering is completed and 33,333,400 Offer Shares are issued and sold in the Global Offering; (iii) the Over-allotment Option is not exercised; and (iv) 333,333,400 Shares are in issue upon completion of the Global Offering:

	Based on an Offer Price of HK\$24.00 per Share	Based on an Offer Price of HK\$27.00 per Share	Based on an Offer Price of HK\$30.00 per Share
Market capitalization of our Shares ⁽¹⁾	HK\$8,000 million	HK\$9,000 million	HK\$10,000 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾⁽³⁾	HK\$3.49	HK\$3.78	HK\$4.06

Notes:

- (1) The calculation of the market capitalization of our Shares is based on the assumption that the Share Subdivision is completed, and 333,333,400 Shares will be in issue and outstanding immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on the estimated net proceeds from the Global Offering. Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at December 31, 2025 (after adjustments to reflect the subdivision of shares on a one-for-ten basis, deduction of the underwriting fees and other related expenses payable by our Company and without taking into account any share which may be sold and offered upon exercise of the Over-allotment Option and then by dividing 333,333,400 H Shares to be issued), comprise of 300,000,000 H shares to be converted from Unlisted Shares and 33,333,400 Shares to be issued assuming the Global Offering has been completed on December 31, 2025.
- (3) No other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2025.

FUTURE PLANS AND USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$27.00 per Share (being the mid-point of the indicative Offer Price range of HK\$24.00 to HK\$30.00), we estimate that we will receive net proceeds of approximately HK\$827.1 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 45.0% of the net proceeds, or HK\$372.2 million will be used to enhance R&D of intelligent robotic vision perception technology to achieve algorithm architecture upgrade based on AI capabilities and optimize our intelligent robotic vision perception products and intelligent robotics products;
- Approximately 10.0% of the net proceeds, or HK\$82.7 million will be allocated to brand building and international expansion to broaden our overseas customer base;
- Approximately 30.0% of the net proceeds, or HK\$248.1 million, will be allocated to the optimization of production capabilities and capacity expansion to support large-scale shipments;

SUMMARY

- Approximately 5.0% of the net proceeds, or HK\$41.4 million, will be allocated to exploring potential investments and acquisition opportunities to strengthen our technological capabilities and achieve large-scale expansion. We intend to focus on targets with established overseas sales channels and strong market synergies; and
- Approximately 10.0% of the net proceeds or HK\$82.7 million, for working capital and general corporate purposes.

DIVIDEND

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that any of our PRC subsidiaries makes will have to be first applied to make up for its historically accumulated losses, after which it will be obliged to allocate 10% of its net profit to its statutory common reserve fund until such fund has reached more than 50% of its registered capital. We will, therefore, only be able to declare dividends after, (i) our PRC subsidiaries' historically accumulated losses have been made up for, and (ii) our PRC subsidiaries have allocated sufficient net profit to their statutory common reserve fund as described above.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. Listing expenses to be borne by us are estimated to be approximately RMB63.9 million (HK\$72.9 million), comprising: (i) underwriting fees of RMB35.5 million (HK\$40.5 million); and (ii) non-underwriting-related expenses of RMB28.4 million (HK\$32.4 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB17.6 million (HK\$20.1 million); and (b) other fees and expenses of RMB10.8 million (HK\$12.3 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$27.00 per Offer Share (being the mid-point of the Offer Price range), approximately RMB25.7 million (HK\$29.3 million) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB38.2 million (HK\$43.6 million) of which is expected to be deducted from equity upon the completion of the Global Offering. The listing expenses are expected to represent approximately 8.1% of the gross proceeds of the Global Offering, assuming an Offer Price of HK\$27.00 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. As of December 31, 2025, we had recognized listing expenses in relation to the Listing of RMB13.6 million to our consolidated statements of profit or loss and other comprehensive income. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS

In January 2026, we launched for sale our third-generation robot lawn mower equipped with a self-developed 360-degree LiDAR system. The N-series products of our third-generation robot lawn mowers also feature intelligent grass and leaf collection functions in addition to mowing, enabling integrated lawn cleaning and maintenance.

SUMMARY

While our sales to the U.S. market have continued to increase, the impact of the applicable U.S. tariffs on our operations and profitability remained limited. As of the Latest Practicable Date, we had not experienced any order cancellations, pricing adjustments or delivery suspensions from customers arising from the recent U.S. tariff measures. Based on the foregoing, our Directors believe that the tariff impact on our overall business, financial condition and results of operations was not material during the Track Record Period and is not expected to be material in the foreseeable future. See “Risk Factors—Changes in international trade policies, geopolitics and trade protection measures and export control may materially and adversely affect our business, financial condition and results of operations” and “Business—Overseas Sales.”

The recent regional conflict in the Middle East has led to significant disruptions and an effective closure of the Strait of Hormuz to commercial shipping. Such regional conflicts have not had any material adverse effect on our business operations or financial performance, including but not limited to any supply chain disruptions, delivery issues or significant fluctuations in transportation costs. We have been able to mitigate the potential impact of such conflicts by utilizing alternative logistics arrangements, including land transportation and alternative maritime routes, and our shipment schedule and customer deliveries have not been materially disrupted.

The Joint Sponsors concur with the Company’s assessment with respect to the impact on the Group of the applicable U.S. tariffs and the recent regional conflict in the Middle East.

We expect to record a net loss for 2026, primarily due to our anticipated substantial research and development expenses and selling and marketing expenses for the year.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this prospectus, there has been no material adverse change in our financial position since December 31, 2025, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be converted from Unlisted Shares and issued pursuant to the Global Offering, on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2024, which exceeds HK\$500 million, and (ii) our expected market capitalization at the time of Global Offering, which exceeds HK\$4 billion.

CSRC FILING

We submitted a filing to the CSRC for application of listing of the H Shares on the Stock Exchange and the Global Offering on December 4, 2025. The CSRC confirmed our completion of filing on February 14, 2026.

DEFINITIONS AND ACRONYMS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms” of this prospectus.

DEFINITIONS

“Accountants’ Report”	the accountants’ report for the Track Record Period prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;
“Acting in Concert Agreement”	the acting in concert agreement dated December 31, 2021 whereby Mr. Zhou and Mr. Guo agreed to act in concert in the exercise of any Shareholder rights of our Company, including voting in the general meeting, Directors’ appointment, delegation or nomination, and financial, operational, and management decisions;
“ANTHBOT GER”	ANTHBOT GER GmbH (安思博機器人德國有限公司), a company incorporated under the laws of Germany on November 22, 2024 and a wholly owned subsidiary of ANTHBOT SG;
“ANTHBOT SG”	ANTHBOT (SG) PTE. LTD. (安思博機器人(新加坡)有限公司), a company incorporated under the laws of Singapore on July 25, 2023 and a wholly owned subsidiary of our Company;
“Articles of Association” or “Articles”	the articles of association of our Company adopted on May 16, 2025 which shall become effective as of the date on which the H Shares are listed on the Stock Exchange, as amended from time to time, a summary of which is set out in “Appendix V—Summary of Articles of Association” to this prospectus;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee of the Board;
“Bad Weather Signal”	has the meaning ascribed to it under the Listing Rules;
“Board” or “Board of Directors”	the board of Directors;
“business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
“Capital Market Intermediaries” or “capital market intermediary(ies)”	the capital market intermediaries as named in “Directors and Parties Involved in the Global Offering”;

DEFINITIONS AND ACRONYMS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“China” or “PRC”	the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires otherwise, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan;
“CIC”	China Insights Industry Consultancy Limited, a global market research and consulting company, which is an Independent Third Party;
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purpose of this prospectus;
“close associates(s)”	has the meaning ascribed to it under the Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Company”	SHENZHEN LDROBOT CO., LTD (深圳樂動機器人股份有限公司), a limited liability company established under the laws of the PRC on November 1, 2017 and converted into a joint stock company with limited liability on June 16, 2022;
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time;
“Compliance Advisor”	has the meaning ascribed to it under the Listing Rules;
“Concert Party Group”	Mr. Zhou and Mr. Guo, who agreed to act in concert in the exercise of any shareholder rights of our Company, including voting in the general meeting, Directors’ appointment, delegation or nomination, and financial, operational, and management decisions pursuant to the Acting in Concert Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

DEFINITIONS AND ACRONYMS

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. Zhou, Mr. Guo, Ms. Wang and Photon Space, and a Controlling Shareholder shall mean each or any of them;
“Conversion of Unlisted Shares into H Shares”	the conversion of 300,000,000 Unlisted Shares (immediately following the Share Subdivision) in aggregate held by existing Shareholders into H Shares upon the completion of the Global Offering. Such Conversion of Unlisted Shares into H Shares has been filed with the CSRC on December 4, 2025 and an application for H Shares to be listed on the Stock Exchange has been made to the Listing Committee;
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank;
“Director(s)”	the director(s) of our Company;
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time;
“Extreme Conditions”	any extreme conditions caused by a super typhoon as announced by the government of Hong Kong or any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong or that may affect the Listing Date;
“Fast Interface for New Issuance” or “FINI”	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;
“Funmotion”	Funmotion Technology Co., Ltd. (深圳樂行運動科技有限公司), a limited liability company established under the laws of the PRC on July 5, 2016 and a former shareholder of Shenzhen LDRobot, which was deregistered on February 22, 2021;
“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;

DEFINITIONS AND ACRONYMS

“Group”	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be);
“Guangdong Ledong”	Guangdong Ledong Electronic Technology Co., Ltd. (廣東樂動電子科技有限公司), a limited liability company established under the laws of the PRC on July 9, 2021 and a wholly owned subsidiary of our Company;
“Guide”	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time;
“H Share(s)”	Shares of our Company for which an application has been made for listing and permission to trade 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 by submitting applications online through the designated website at www.hkeipo.hk ;
“ HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk ;
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited;
“ HKSCC 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 or a 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;

DEFINITIONS AND ACRONYMS

“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force;
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollar(s)” or “HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong Offer Shares”	the 3,333,400 new H Shares initially being 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” of this prospectus;
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription to the public in Hong Kong at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), subject to and in accordance with the terms and conditions set out in this prospectus;
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in “Underwriting—Hong Kong Underwriters” in this prospectus;
“Hong Kong Underwriting Agreement”	the underwriting agreement dated April 28, 2026 relating to the Hong Kong Public Offering entered into by our Company, Mr. ZHOU Wei (周偉), Mr. GUO Gaihua (郭蓋華), the Joint Sponsors, the Sponsor-Overall Coordinators and the Hong Kong Underwriters as further described in “Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering”;
“IEEPA”	International Emergency Economic Powers Act;
“Independent Third Party(ies)”	individuals or company(ies), who or which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules;

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“International Offer Shares”	the 30,000,000 H Shares initially being offered by the Company for subscription under the International Offering, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option, and subject to reallocation as described in “Structure of the Global Offering” of this prospectus;
“International Offering”	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States and in offshore transactions in accordance with Regulation S under the U.S. Securities Act on and subject to the terms and conditions of the International Underwriting Agreement, as further described in “Structure of the Global Offering” in this prospectus;
“International Underwriters”	the underwriters of the International Offering listed in the International Underwriting Agreement;
“International Sanctions Counsel”	King & Wood, our legal advisors as to International Sanctions laws in connection with the Listing;
“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or around May 7, 2026 by our Company, the Controlling Shareholders, the Joint Sponsors, the Sponsor-Overall Coordinators and the International Underwriters in respect of the International Offering, as further described in “Underwriting—Underwriting Arrangements and Expenses—International Offering”;
“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties involved in the Global Offering”;
“Joint Global Coordinators”	the joint global coordinators as named in “Directors and Parties involved in the Global Offering”;
“Joint Lead Managers”	the joint lead managers as named in “Directors and Parties involved in the Global Offering”;
“Joint Sponsors”	Haitong International Capital Limited and Guotai Junan Capital Limited;
“Latest Practicable Date”	April 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication;
“Ledong Software”	Shenzhen Ledong Software Co., Ltd. (深圳樂動軟件有限公司), a limited liability company established under the laws of the PRC on March 16, 2021 and a wholly owned subsidiary of our Company;

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“Listing”	the listing of our H Shares on the Main Board;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Date”	the date, expected to be on or about Monday, May 11, 2026 on which dealings in our H Shares first commence on the Main Board;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
“MENGOBOT”	MENGOBOT LIMITED (香港盟果機器人有限公司), a company incorporated under the laws of Hong Kong with limited liability on February 26, 2024 and a wholly owned subsidiary of our Company;
“Mr. Guo”	Mr. GUO Gaihua (郭蓋華), co-founder, an executive Director, the general manager of our Company and one of our Controlling Shareholders;
“Mr. Zhou”	Mr. ZHOU Wei (周偉), co-founder, an executive Director, the chairman of the Board and one of our Controlling Shareholders;
“Ms. Wang”	Ms. WANG Mingyue (王明月), one of our Controlling Shareholders. Ms. Wang is the spouse of Mr. Zhou;
“Nomination Committee”	the nomination committee of the Board;
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not more than HK\$30.00 and expected to be not less than HK\$24.00, such price to be agreed upon by our Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) on or about the Price Determination Date;
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, the additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option;

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“Overall Coordinators”	China International Capital Corporation Hong Kong Securities Limited, and SDIC Securities (Hong Kong) Limited (Formally known as SDICS International Securities (Hong Kong) Limited);
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 5,000,000 additional H Shares, representing up to 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in “Structure of the Global Offering”;
“Photon Space”	Shenzhen Photon Space Technology Partnership Enterprise (Limited Partnership) (深圳光子空間科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 19, 2021 and one of our Controlling Shareholders;
“PRC government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them;
“PRC Legal Advisors”	Zhong Lun Law Firm, our legal advisors as to PRC laws in connection with the Global Offering;
“Pre-IPO Investment(s)”	the pre-IPO investments in our Company, details of which are set out in “History, Development and Corporate Structure—Pre-IPO Investments” in this prospectus;
“Pre-IPO Investor(s)”	Series A Investors, Series A+ Investors, Series B Investors, Series C Investors, Kelamayi Qicheng Investment Fund Partnership Enterprise (Limited Partnership) (克拉瑪依啟誠投資基金合夥企業(有限合夥)), Shenzhen Jiuyu Galaxy Intelligent Internet Investment Fund (Limited Partnership) (深圳九宇銀河智能互聯投資基金(有限合夥)), Zhongjin Pucheng Investment Co., Ltd. (中金浦成投資有限公司), Wenrun Growth No. 1 (Zhuhai) Equity Investment Fund Partnership Enterprise (Limited Partnership) (溫潤成長壹號(珠海)股權投資基金合夥企業(有限合夥)), Mr. WANG Bing (王炳), Shenzhen Yuanxi Intelligent Manufacturing Enterprise (Limited Partnership) (深圳源希智能製造企業(有限合夥)), and Zhuhai Hengqin Qichuang Shared Venture Capital Partnership (Limited Partnership) (珠海橫琴齊創共享創業投資合夥企業(有限合夥)), the investors who participated in our Pre-IPO Investments, details of which are set out in the section headed “History, Development and Corporate Structure—Pre-IPO Investments” in this prospectus;

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“Price Determination Agreement”	the agreement to be entered into between our Company and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to record and fix the Offer Price;
“Price Determination Date”	the date, expected to be on or about Thursday, May 7, 2026, on which the Offer Price will be determined and, in any event, not later than 12:00 noon on Thursday, May 7, 2026;
“prospectus” or “Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Renminbi” or “RMB”	the lawful currency of the PRC;
“Remuneration Committee”	the remuneration committee of the Board;
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong;
“Series A Investors”	Hunan Huaye Tiancheng Venture Capital Partnership Enterprise (Limited Partnership) (湖南華業天成創業投資合夥企業(有限合夥)) and Tibet Wanqing Investment Management Co., Ltd. (西藏萬青投資管理有限公司);
“Series A+ Investors”	Hunan Huaye Tiancheng Venture Capital Partnership Enterprise (Limited Partnership) (湖南華業天成創業投資合夥企業(有限合夥)) and Tibet Wanqing Investment Management Co., Ltd. (西藏萬青投資管理有限公司);
“Series B Investors”	Shenzhen Pengyuansheng Enterprise Management Partnership (Limited Partnership) (深圳鵬遠昇企業管理合夥企業(有限合夥)), Shenzhen High Tech Investment Fuhai Venture Capital Fund Phase I Partnership Enterprise (Limited Partnership) (深圳市高新投福海創業投資基金一期合夥企業(有限合夥)), Xinjiang Mingshi Changfeng Private Equity Venture Capital Fund Partnership Enterprise (Limited Partnership) (新疆明時長風私募創業投資基金合夥企業(有限合夥)) and Beijing Maker Town Equity Investment Fund (Limited Partnership) (北京創客小鎮股權投資基金(有限合夥));

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“Series C Investors”	Hangzhou Yuanjing SME Development Equity Investment Fund Partnership (Limited Partnership) (杭州元璟中小企業發展股權投資基金合夥企業(有限合夥)), Hangzhou Yuanjing Dingheng Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州圓璟鼎恆股權投資基金合夥企業(有限合夥)), Lianjin Innovation Industry Private Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited Partnership) (聯金創新產業私募股權投資基金(深圳)合夥企業(有限合夥)), Zhuhai Hengqin Huaye Tiancheng Venture Capital Partnership Enterprise (Limited Partnership) (珠海橫琴華業天成創業投資合夥企業(有限合夥)), Wuhan Yuanxia Equity Investment Partnership (Limited Partnership) (武漢源夏股權投資合夥企業(有限合夥)), Hainan Houpu Digital Technology Co., Ltd. (海南厚普數字科技有限公司) and Shenzhen Gongchuang Zhuoxin Investment Partnership Enterprise (Limited Partnership) (深圳共創卓信投資合夥企業(有限合夥));
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each upon the completion of the Share Subdivision; and before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each;
“Shareholder(s)”	holder(s) of our Share(s);
“Share Subdivision”	the Share Subdivision immediately prior to the Listing, pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each;
“Shenzhen LDRobot”	Shenzhen LDRobot Limited (深圳樂動機器人有限公司), the predecessor of our Company which was a limited liability company established in the PRC on November 1, 2017 and converted into our Company in the form of a joint stock company with limited liability on June 16, 2022;
“Shenzhen Lezhi”	Shenzhen LeZhi Robot Technology Co., Ltd. (深圳樂智機器人科技有限公司), a limited liability company established under the laws of the PRC on December 30, 2024 and a wholly owned subsidiary of our Company;
“Sponsor-Overall Coordinators”	Haitong International Securities Company Limited and Guotai Junan Securities (Hong Kong) Limited;
“Stabilizing Manager”	Haitong International Securities Company Limited;
“State Council”	the State Council of the PRC (中華人民共和國國務院);

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“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Track Record Period”	the three years ended December 31, 2025;
“Underwriters”	the Hong Kong Underwriters and the International Underwriters;
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement;
“Unlisted Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB0.10 each upon completion of the Share Subdivision, which were subscribed for or credited as paid in Renminbi and held by domestic Shareholders;
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
“U.S. persons”	U.S. persons as defined in Regulation S;
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time;
“US\$” or “US dollars”	United States dollar(s), the lawful currency of the United States;
“we,” “us” or “our”	the Company or the Group, as the context requires;
“Zhuhai Ledong”	Zhuhai Ledong Robotics Co., Ltd. (珠海樂動機器人有限公司), a limited liability company established under the laws of the PRC on December 19, 2023 and a wholly owned subsidiary of our Company.

ACRONYMS

“AFRC”	the Accounting and Financial Reporting Council of Hong Kong;
“CAGR”	compounded annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result;

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“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CNIPA”	National Intellectual Property Administration of the PRC (國家知識產權局);
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會);
“HKFRS”	Hong Kong Financial Reporting Standards;
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited;
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部);
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會);
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局); and
“VAT”	value-added tax.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this prospectus were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

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

GLOSSARY OF TECHNICAL TERMS

In this prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“1+N delivery model”	a flexible production model that combines one in-house manufacturing facility with multiple third-party partner factories
“3D”	three spatial dimensions of width, height and depth
“ACC”	adaptive cruise control
“AGI”	artificial general intelligence
“AI”	artificial intelligence
“AI-VSLAM”	AI based visual simultaneous localization and mapping technology, which is an advanced version of VSLAM that incorporates AI techniques to improve performance, accuracy and robustness in visual mapping and navigation tasks
“AIoT”	artificial intelligence of things
“DToF”	direct time-of-flight, a distance measurement technique that calculates the distance between a sensor and a target by directly measuring the time it takes for a light pulse to travel to the target and reflect back to the sensor
“ESG”	environmental, social and governance
“GNSS”	global navigation satellite system
“group customer”	the customers who, with respect to any given year, purchase more than 1,000 units of our products that year
“group customer net dollar retention rate”	the ratio of revenue from retained customers in the current year divided by revenue from group customers in the previous year
“group customer retention rate”	the ratio of the number of retained customers at the end of the current year divided by the number of group customers at the end of the previous year
“KOC”	key opinion customer
“KOL”	key opinion leader

GLOSSARY OF TECHNICAL TERMS

“LDS”	laser distance sensor, a device that uses laser technology to measure the distance between itself and a target object
“LiDAR”	light detection and ranging, a remote sensing technology that measures distances by emitting laser pulses and detecting their reflections from surfaces
“mass production”	a large-scale production phase that adopts automated intelligent manufacturing and engineering facilities to ensure product consistency, reduce labor costs, enhance utilization, and achieve cost-efficiency
“PCT”	the Patent Cooperation Treaty, which is an international treaty that simplifies the patent application process for inventors seeking protection in multiple countries
“point clouds”	the outputs of the scanning process, which contain a large number of points that together represent the site scanned
“plug-and-play”	system, device or process designed to work immediately once connected or installed, without requiring complex setup
“professional staff”	our employees who are not directly involved in frontline production roles
“PSD”	position sensitive detector, a type of optical sensor that measures the position of a light spot on its surface by generating electrical signals proportional to the spot’s location
“R&D”	research and development
“retained customer”	group customer who was a group customer in a previous year and who remain a group customer in the current year
“RGB camera”	red, green, blue camera, an imaging device designed specifically to capture visible light
“RTK”	real-time kinematic, a high-precision satellite navigation (GNSS) positioning technique that utilizes carrier-phase measurements from global navigation satellite systems to achieve centimeter-level accuracy in real time
“SLAM”	simultaneous localization and mapping, a technology that enables a robot or mobile device to determine its own position while simultaneously creating a real-time map of an unknown environment

GLOSSARY OF TECHNICAL TERMS

“SMT”	surface mount technology, a method for producing electronic circuits in which the components are mounted directly onto the surface of printed circuit boards
“TAM”	total addressable market, an estimate of the total revenue opportunity or sales potential available for a product or service if it were to achieve 100% market share in a specific market or sector
“TOF”	time of flight, a measurement technique that determines the distance between a sensor and an object by calculating the time taken for a light pulse to travel to the object and be reflected back to the sensor
“VSLAM”	visual simultaneous localization and mapping technology, which is a specific implementation of SLAM that uses monocular, stereo and multiple cameras as the primary sensors. By analyzing data features in captured images, VSLAM predicts the movement of a device and reconstructs the structure of the environment

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 certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would” and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- estimates of our costs, expenses, future revenues, capital expenditures and our needs for additional financing;
- our ability to attract and retain senior management and key employees;
- our operations and business prospects;
- future developments, trends, conditions and competitive landscape in the industry and markets in which we operate;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our strategies, plans, objectives and goals and our ability to successfully implement them;
- our financial condition and operating results and performance;
- industry trends and competition; and
- general political and economic conditions.

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

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

RISK FACTORS

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the “Financial Information” section, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We recorded net losses and had net operating cash outflows during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the near future.

In 2023, 2024 and 2025, we incurred net losses for the years of RMB68.5 million, RMB56.5 million and RMB62.5 million, respectively. Furthermore, during the same periods, we recorded net cash used in operating activities of RMB49.1 million, RMB29.1 million and RMB136.5 million, respectively. Our net losses and net operating cash outflows were primarily due to being in the ramp-up phase, where our efforts were concentrated on product innovation, technological advancement and scaling up mass production. We anticipate that we will continue to incur operating losses in the near term as we invest in research and development, expand our overseas operations, and incur additional operating costs associated with our rapid growth.

Our historical performance may not be indicative of our future performance. Our ability to generate revenue and achieve profitability will depend on the performance of our existing products and the successful implementation of our strategic initiatives. Our profitability could also be affected by a number of factors, many of which are beyond our control, including regulatory evolution, changes in economic condition and competition. We operate in a highly competitive industry. In 2024, the average selling prices for our sensor and algorithm module products decreased by approximately 20.9% and 24.5%, respectively, compared with 2023 due to intensified price competition. The average selling price for our sensor and algorithm module products further decreased by 13.7% and 21.0% in 2025 compared with in 2024, respectively. If we are unable to effectively manage our business growth and expand our business operations in an increasingly competitive environment, we may be unable to successfully implement the strategies necessary to further our business prospects on schedule or within our budget, or at all. Accordingly, there can be no assurance that we can achieve future profitability. Even if we achieve profitability in the future, there is no guarantee that we will sustain it in subsequent periods. Our failure to achieve or maintain profitability could diminish the value of our Company and impair our ability to raise capital, sustain research and development efforts, expand our business, or continue operations. In addition, there can be no assurance that we will be able to generate positive cash flows from operating activities in the future. If we have negative cash flows from operating activities in the future, our business, results of operations and financial condition could be materially and adversely affected. Consequently, investors may lose their investment if our business does not succeed.

RISK FACTORS

The industry in which we operate is highly competitive. If we fail to compete successfully with our existing or potential competitors, our business, results of operations, financial condition and prospects may be materially and adversely affected.

The intelligent robotics industry is highly competitive and fragmented, with numerous participants and low market concentration. We primarily compete with other companies that focus on intelligent robot visual perception technology and robot lawn mowers. According to CIC, in terms of revenue, the top five intelligent robot visual perception technology companies together accounted for approximately only 6.2% of the market in 2024, with similar individual market shares among these leading players. Our future success will depend on our ability to emerge and sustain as a leader in our targeted markets by continuing to develop and deliver visual perception products and robot lawn mower products in a timely manner and to effectively compete with existing and new competitors. If we do not have or in the future gain more financial resources, more sophisticated technological capabilities, broader customer base and more stable relationships than our competitors, we may not be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than our competitors.

We may also face competition from new entrants who may offer lower prices or new technologies and products, and thus the industry in which we operate may be more competitive in the future. Increased competition could result in lower sales, prices or profit margins or loss of market share. Further, we may be required to make substantial additional investments in R&D, marketing and sales, recruiting and retaining top scientists and innovative talents and acquiring technologies complementary to, or necessary for, our current and future products in order to respond to such competitive threats, and we cannot assure you that such measures will be effective.

If we are unable to compete successfully, or if we need to take costly actions in response to the actions of our competitors, our business, results of operations, financial condition and prospects may be materially and adversely affected.

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

Our success depends on our ability to develop and introduce new products that incorporate and integrate the latest technological advancements. A swift change in the technologies that our customers prefer would significantly affect our business prospects. Failure to adapt to the rapidly evolving technology environment could damage our relationships with customers and lead them to seek alternative sources of supply. To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our products. However, there can be no assurance that we will be able to keep up with the technology evolution, or effectively use new technologies, recoup the costs of developing new technologies or adapt our proprietary technologies or products in a cost-effective and timely manner to meet customer requirements or emerging industry standards.

We may encounter significant unexpected technical and production challenges or delays in completing the development of new and enhanced products in a cost-effective manner. As such, we need to invest significant resources in R&D, design innovative, precise and safety-enhancing sensing functions that differentiate our products from those of our competitors. It is crucial for us to continually improve the reliability of our visual perception technologies for intelligent robots, cooperate effectively on new designs and development with our customers and suppliers, respond adeptly to technological changes and products announcements by our competitors, and adjust to changing customer requirements, market conditions and regulatory standards promptly and efficiently.

RISK FACTORS

If there are delays in, or if we fail to complete as expected or at all, the development of new and enhanced products, we may not be able to satisfy our customers' requirements, acquire additional design wins with existing or new customers, or achieve broader market acceptance of our products, and hence our business, results of operations, financial condition and competitive position would be materially and adversely affected.

We have been and intend to continue investing significantly in R&D, which may not generate the results we expect and therefore may adversely affect our business, results of operations, financial condition and prospects.

We are focusing on our R&D efforts across our visual perception products and robot lawn mowers. We have been investing continuously in our R&D. During the Track Record Period, we maintained a stable level of research and development expenses, particularly in the employee benefit expenses of our R&D team. Our investment in R&D shows our dedication to progress and innovation. In 2023, 2024 and 2025, we recorded research and development expenses of RMB95.9 million, RMB94.9 million and RMB121.1 million, respectively. We may incur substantial research and development expenses in the future.

However, there can be no assurance that our efforts will deliver the benefits we anticipate. The results of our development activities are inherently uncertain, and we may not be able to obtain and retain qualified R&D personnel. Even if we succeed in R&D and generate the results we expect, we may still encounter practical difficulties in commercializing our development results. New technologies could render our technologies, technological infrastructure or products that we are developing or plan to develop obsolete or unattractive, thereby limiting our ability to recover related development costs, which could adversely affect our revenue, profitability and market share. As such, our R&D efforts may not contribute to our future results of operations and such contribution may not meet our expectations or even cover the costs of our R&D efforts, which may materially and adversely affect our business, results of operations, financial condition and competitive position.

Our key customer and supplier base is relatively concentrated. Our business, financial condition, results of operations and prospects could be adversely affected if our business relationships with these key customers and suppliers are terminated, interrupted, or modified in any way adverse to us.

Our success depends on our ability to maintain a good and continued business relationship with our key customers and suppliers, and our ability to sell our products to key customers and source and procure raw materials from key suppliers on favorable terms. Continued pricing pressures from our customers, many of whom possess significant bargaining power, may result in lower than anticipated revenue and margins, which may materially and adversely affect our business prospects and results of operations. If our cooperation with them has been interrupted, discontinued or otherwise deteriorated due to many factors, including, but not limited to, any interruptions to their operations, any failure in accommodating business demands of each other.

For the years ended December 31, 2023, 2024 and 2025, revenue from our five largest customers for the respective years in aggregate accounted for 65.1%, 54.3% and 49.8% of our revenue, respectively, and our largest customer for the respective years contributed 16.5%, 15.3% and 16.0% of our revenue, respectively. See "Business—Our Customers." Any failure by such customers to meet their payment obligations or contractual commitments could have a material adverse effect on our business, financial condition and results of operations.

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For the years ended December 31, 2023, 2024 and 2025, transaction amount with our five largest suppliers for the respective years in aggregate accounted for 35.3%, 42.5% and 22.8% of our total purchase amount, respectively, and transaction amount with our largest supplier for the respective years contributed 9.9%, 13.6% and 5.1% of our total purchase amount, respectively. See “Business—Our Suppliers.” Any significant delay in the delivery by such suppliers, the inability of such suppliers to meet their quantity or quality obligations, or the unavailability of alternative suppliers, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to supply shortages and increased costs of direct materials, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

During the Track Record Period, the cost of direct materials, including electronic components, optical components and structural components, accounted for 78.2%, 77.5% and 75.5% of our cost of sales, respectively. Any shortages or delay in the supply of our raw materials and key components could result in occasional price adjustments or delays in our production and delivery to customers. For example, according to CIC, the market price of copper increased by approximately 10% in 2024, which led to an increase of RMB0.1 million in our relevant purchase cost during the same period. We may in the future experience similar supply shortages and price fluctuations of certain raw materials and components, and the predictability of the availability and pricing of these raw materials and components may be limited. In the event of a shortage, supply interruption or price increase by suppliers of these raw materials and components, we may not be able to develop alternative sources in a timely manner or at all. Developing alternative sources of supply for these raw materials and components may be time-consuming, difficult and costly, and we may not be able to source these raw materials and components on terms that are commercially acceptable to us, or at all, which may increase our production costs or undermine our ability to fill customer orders in a timely manner. In addition, the loss of any supplier for any reason could lead to design changes, production delays and potential loss of access to important technologies, any of which could result in quality issues, delays and disruptions in our delivery of products, negative publicity and damage to our brand name.

Our development strategies may not succeed, which may materially and adversely affect our business, financial condition, results of operations and prospects.

We have implemented business strategies including developing new technologies and expanding our operations. We have been and will continue introducing new products and improving existing ones to meet market demand and customer needs.

However, there can be no assurance that our strategies are accurate or correct in terms of aligning with the market development, including technological advancements, industry trends and end-user preferences. If any of our business strategies are proven to deviate from such market development, it could have a negative impact on our business, financial condition and results of operations. In addition, we may fail to obtain the necessary resources to fund our future plans or employ suitable personnel to manage our expanded business. If we are unable to develop and introduce new products and improve existing products in a cost-effective and timely manner, our business, financial condition, results of operations and competitive position would be materially and adversely affected.

RISK FACTORS

Unsatisfactory performance of or defects in our products, or failure to maintain an effective quality management system, may harm our reputation, lead to returns or recalls and materially and adversely affect our business, financial condition, results of operations and prospects.

We may offer products that are affected by substandard quality or unsatisfactory performance due to design and manufacturing defects. We may also be exposed to potential product liabilities. See “Business—Sales and Marketing—After-Sales and Warranty.” The consequences of such product defects may be severe and we may be subject to claims for contract breaches or be liable for property damage or even bodily injuries and harms. Further, the causes of product defects may be manifold and sometimes beyond our control. Besides errors in the design, R&D and production of our products, defects may also be caused by defective raw materials and components delivered by our suppliers and integrated in our products. As we do not have direct control over the quality of the materials and intermediate products manufactured or supplied by third parties, we are exposed to risks relating to the quality of such materials and intermediate products. Furthermore, there is no assurance that we will be able to identify all quality issues, particularly those stemming from defective materials or components delivered by our suppliers, which could materially and adversely affect our reputation and operation, potentially making it more difficult to market and sell our products. During the Track Record Period, we had technical discussion with downstream manufacturing customers and accepted return or replacement requests accounting for approximately 0.1% of our total sales volume. There is no assurance that we will not experience any material product liability losses or large-scale recalls in the future. Any significant upward trend in the number of product defects or related claims could have a material and adverse effect on our business and financial results.

In addition, we may manufacture particular products pursuant to specifications and quality requirements set by our customers. If our products do not meet the specifications and quality requirements stipulated by our customers, relevant production may be discontinued until the cause of the product defect has been identified and remedied, and we may also be subject to litigation, lose customers, suffer negative publicity and our business, results of operations and financial condition could be adversely affected. During the Track Record Period, we also strategically engaged several third-party contract manufacturers for production of our products. See “—Risks Relating to Our Business and Industry—We are subject to risks relating to the engagement of third-party contract manufacturers for the production of our products.”

Therefore, our failure to maintain consistent quality control throughout our production process may result in substandard quality or unsatisfactory performance of our products, which may cause significant damage to our market reputation and lead to a decrease in our sales volume. If we deliver any defective products, or if there is a perception that our products are of substandard quality or unsatisfactory performance, our market reputation and sales volumes may be adversely affected.

In addition, as our robotics manufacturer customers may incorporate our products to their complete robot products, and after their assembly process, sell such complete robot products to end consumers, we may be also exposed to potential product liability claims from end consumers, in case that any damage results from the use of our products even though we do not directly sell to such end consumers. There can be no assurance that we will not experience any material product liability losses in the future, or that we will be able to defend such claims at a contained level of cost.

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If additional capital for our business growth is not available, we may experience liquidity constraints and our business, results of operations and financial condition may be materially and adversely affected.

Our ability to sustain growth and remain competitive requires significant investment in various aspects of our business, including technology development, market expansion and talent acquisition. During the Track Record Period, we primarily funded our cash requirements from cash from operations, bank borrowings and proceeds we received from Pre-IPO Investments. However, we may face pressure on our capital position if our future capital requirements exceed our available funds. A shortage of funds may impede our ability to maintain adequate investment in R&D, hinder the adoption of new technologies and delay the development of new products. Furthermore, inadequate financing may limit our marketing and business expansion efforts, hamper our ability to fulfill our obligations and negatively impact our business prospects, operations and performance. Additionally, a strained financial position may hinder our ability to attract and retain top talents, thereby undermining our competitiveness and hindering our ability to execute our growth strategy.

Furthermore, our financing capacity may be limited by factors beyond our control, such as macroeconomic policies, economic conditions, interest rate environment and market sentiments. If our financing capacity becomes restricted, we may experience liquidity constraints that could adversely affect our ability to operate and grow our business. As a result, we may require additional capital resources to fund our future growth and development, but we may not be able to obtain financing on commercially favorable terms, or at all. Any failure to secure financing on acceptable terms could negatively impact our business, results of operations, financial condition and prospects. We may also be required to accept unfavorable financing terms, which could dilute our Shareholders' ownership interests, increase our financing costs, or restrict our financial flexibility. Such financing terms may also contain covenants that could limit our operations, including our ability to incur additional debt or make certain investments, which may adversely impact our business or the implementation of our strategies.

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

Our inventories primarily comprise (i) raw materials, (ii) work in progress, (iii) finished goods and (iv) goods in transit. As of December 31, 2023, 2024 and 2025, we had inventories of RMB31.7 million, RMB44.9 million and RMB97.4 million, respectively. We emphasize the prediction of market demand and production plans to ensure adequate inventory to meet our customer demand while optimizing relevant costs. However, our ability to forecast market demand for our products could be affected by many factors beyond our control. Unpredicted fluctuations in the customer demand for or manufacturing plans of our products may affect our ability to keep sufficient inventories to deliver products in a cost-effective and timely manner.

Additionally, our mismanagement of inventory could result in inventory levels in excess of customer demand, inventory write-downs and the sale of excess inventory at discounted prices. Our inventory turnover days were 66 days, 37 days and 47 days in 2023, 2024 and 2025, respectively. As our business expands, our inventory obsolescence risk may also increase with the increase in our inventories and our inventory turnover days, which may adversely affect our business, financial condition and results of operations.

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Given that our customers are generally entitled to change or cancel orders, our business is exposed to risks relating to demand volatility and inventory management. If customers cancel or reduce orders after we have procured raw materials or started production, we may incur additional costs associated with obsolete or idle components, increased procurement costs and other adjustments that are not fully recoverable from customers. Frequent order changes or cancellations may also affect our production planning and capacity utilization, which could in turn adversely impact our operating efficiency, revenue visibility and profitability.

We are in the process of prudently expanding our international operations, which exposes us to significant regulatory, economic and political risks, the failure to handle which may adversely affect our business, results of operations and financial condition.

We are in the process of prudently expanding our operations and customer base worldwide. We may adapt to and develop strategies to address international markets but there is no guarantee that such efforts will have the desired effect. As a result, we may be required to devote significant management attention and financial resources worldwide. In connection with such expansion, we may face difficulties including increased competition, uncertain enforcement of our intellectual property rights, unfamiliar market conditions, credit and collectability risk on our trade receivables, and the complexity of compliance with Chinese and foreign laws and regulations, potential adverse movement of currency exchange rates, tariffs and trade barriers, a variety of regulatory or contractual limitations on our ability to operate, political risks and a geographically and culturally diverse workforce and customer base. Failure to overcome any of these difficulties could harm our business. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. We cannot assure you that we are able to fully comply with the legal requirements of each foreign jurisdiction and successfully adapt our business models to local market conditions.

The sales results of our visual perception products will partially depend on effective deployment and operation by third parties on, and overall user experience of, the end products.

The sales results of our visual perception products will partially depend on our robotics manufacturer customers effectively deploying and operating our products on their complete robot products. For example, our sensors require seamless integration with the software systems of robot manufacturers to enable real-time processing and analysis of environmental data. By working closely with the robot's software development team, we aim to develop data processing algorithms compatible with the robot's control systems, ensuring accurate environment recognition within the constraints of hardware resources. However, there can be no assurance that our products will always achieve the required level of interoperability in future complete robot models. In addition, the sales results of a complete robot product depend on the overall user experience of, among other things, human machine interface, functionality, design and operability, and operability, which are all beyond our control. The complete robot products integrated with our products may experience poor sales due to suboptimal user experiences, which could materially and adversely affect the sales results of our visual perception products.

Negative publicity and allegations involving us, our Shareholders, Directors, officers and employees and business partners may affect our reputation and, as a result, our business, financial condition, results of operations and prospects may be negatively affected.

Negative publicity and allegations involving us, our Shareholders, Directors, officers and employees and business partners, or the intelligent robot market as a whole, may materially and adversely harm our brand image and reputation, and cause deterioration in the level of market

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recognition of, and trust in, the products provided by us, thereby resulting in reduced sales volumes and revenue, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to obtain and protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which may be time-consuming and expensive to resolve and could divert our management's attention regardless of the outcome, and adversely affect our business, financial condition and results of operations.

We are in the process of applying patents in China and overseas. This process is inherently expensive and time-consuming, and our applications may not be granted. It can be challenging to register, maintain and enforce intellectual property rights in the jurisdictions where we operate. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, financial condition, results of operations and prospects.

If third parties claim that we infringe their intellectual property rights, we may incur liabilities and penalties and may have to redesign and suspend the sales of products involved.

Some of our competitors have large intellectual property portfolios, and may claim that our expected commercial use of our solutions has infringed their intellectual properties. We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights of third parties. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, services or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management's attention and other resources from our business and operations to defend these claims, regardless of their merits.

Our competitors may use intellectual property litigation to gain a competitive advantage. We may hire employees who have previously worked for our competitors. We cannot guarantee that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful.

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Additionally, the application and interpretation of the laws in the PRC and other jurisdictions relating to intellectual properties, and the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in the PRC and other jurisdictions may keep evolving in the future, and there can be no assurance that the courts or regulatory authorities in the PRC and other jurisdictions would agree with our analysis. If we were found to have violated the intellectual property rights of any third party, we may be subject to liability for our infringing activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. In such events, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Confidentiality agreements and non-compete covenants with employees may not adequately protect our proprietary rights.

We have devoted substantial resources to the development of our technology and know-how. However, there can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual properties will not otherwise become known to third parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary rights could adversely affect our business, financial condition, results of operations and competitive position.

We are subject to risks relating to the engagement of third-party contract manufacturers for the production of our products.

During the Track Record Period, we strategically engaged several third-party contract manufacturers for the production of our products. See “Business—Production.”

If we are unable to maintain our contractual relationships with such third parties, or if we are unable to continue using or obtaining these services on commercially reasonable terms, we may not be able to secure alternatives in a timely manner or at all, which may, in turn, materially and adversely affect our business, results of operations, financial condition and competitive position.

In addition, while the quality of the services provided by the foregoing third parties depends to some extent on the effectiveness of our quality control, there can be no assurance that our quality control procedures will be effective in consistently preventing deviations by third parties from our quality standards. The failure of our third-party contract manufacturers to follow the production or service schedule, or comply with production standards can affect our ability to fulfill our obligations to customers and may expose us to potential liabilities. Seeking indemnities from these third-party contract manufacturers can be costly and time-consuming, and any indemnities obtained may not fully cover our losses.

The expansion of our in-house manufacturing capabilities may be subject to delays, disruptions, cost overruns, or may not produce expected benefits.

We plan to integrate and further enhance our manufacturing capabilities to expand our business scale. See “Business—Our Strategies—Continue to Optimize and Expand Production to Support Large-scale Shipments” for details. Pursuant to our production expansion plan, we expect to promote the upgrade of both production processes and equipment. However, the expansion could experience delays or other difficulties, and will require significant capital. Any failure to complete the expansion on schedule and within budget could adversely affect our financial condition, production capacity, and results of operations.

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Our success relies on key management and other highly qualified personnel with specialized skills.

Our future success largely depends on the continued service of our management and highly qualified personnel with specialized skills. Our ability to compete effectively depends to some extent on our ability to retain and motivate existing employees and attract new talents. We may need to offer higher compensation and other benefits to attract and retain key personnel and our compensation and benefits payments may increase unexpectedly or at a greater rate than expected. If we lose the services of any member of our management or qualified personnel, we may not be able to locate suitable or qualified replacements in a timely manner and/or at reasonable cost, or at all. Our failure to attract and retain key management or qualified personnel and any increase in staffing costs to retain such personnel could have a negative impact on our ability to maintain our competitive position and grow our business, and may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our key employees are subject to confidentiality terms and non-compete arrangements. However, there can be no assurance that such terms or arrangements can be fully enforced. If any of our management or other key personnel joins or establishes a competing business, we may lose some of our customers, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are subject to the developing regulatory requirements regarding the end markets of our products.

Government regulations have imposed stringent requirements on robotics safety in general and in the context of AI and intelligent robots. In addition to product quality and infringement liability laws and regulations applicable to electronic products, intelligent robot-related products must also comply with cybersecurity, personal privacy protection and AI safety regulations. See “Regulatory Overview ” for details. Government authorities in the PRC may continue to issue new laws, rules and regulations governing the industry in which we operate in the PRC. For example, in September 2024, the National Technical Committee on Cybersecurity of SAC (全國網絡安全標準化技術委員會) issued the AI Safety Governance Framework (《人工智能安全治理框架》), which impose compliance requirements for enterprises developing and applying AI technology. While we believe that the enhancement of safety and privacy standards could present a market opportunity for our products, developing regulatory requirements could also be challenging to satisfy and may adversely affect our products portfolio and business operations. Government safety and privacy regulations are subject to changes driven by a number of factors that are beyond our control, including new technologies, adverse publicity regarding recalls and safety risks associated with intelligent robots, incidents involving intelligent robots, domestic and foreign political situations, and litigation relating to robotics safety and data privacy. New legislation or changes in the regulatory requirements, as well as changes or evolution in court interpretation of those regulations, with respect to the intelligent robotics industry could adversely affect our business, and requires continuous monitoring of laws and regulations and an ongoing compliance process to ensure that we are in compliance with existing laws and regulations in each market where we operate. Our compliance cost could be substantial given the developing nature and complexity of the relevant laws and regulations.

Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties and failure to renew our leased properties may adversely affect our business.

We currently lease several premises in China. Under the PRC laws and regulations, lease agreements in general are required to be registered with the local housing administrative authorities. As of the Latest Practicable Date, we were unable to file the lease agreements for

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registration with respect to 20 of our leased premises in China primarily used as factories and offices. As advised by our PRC Legal Advisors, failing to complete the registration of lease agreements within the stipulated period may result in fines ranging from RMB1,000 to RMB10,000 for each unregistered lease, with a potential maximum penalty of RMB200,000. As of the Latest Practicable Date, we had not been required by the relevant local housing administrative authorities to complete these registrations, nor had we been penalized or fined by the authorities. Given that the aggregate amount of potential fines being limited and the expected grace period that relevant authorities may allow before imposing such penalties, our Directors believe that these incidents would not have any material adverse effect on our business, financial position, or results of operations. However, we cannot guarantee that we will not receive complaints, investigations, proceedings, fines or other penalties regarding the non-registration of lease agreements. If they do occur, our financial condition and results of operations may be adversely affected. In addition, as of the Latest Practicable Date, the lessors of 12 of the leased premises, which are mainly used as factories and offices, had not provided copies of the property title certificates to us. Our leases may be affected, and we may be required to vacate the relevant properties and relocate our factories and offices. In this event, our operation on such properties may be impaired and we may not be adequately indemnified by the lessors for our related losses. Also, we will incur additional costs in relocating our factories or offices to other suitable sites, thus affecting our business operations, financial condition and results of operations.

Furthermore, we may not be able to successfully extend or renew our leases upon their expiration at commercially reasonable terms, or at all. Consequently, we may have to relocate our operations, which could disrupt our business activities and lead to relocation costs, negatively impacting our business, financial condition and results of operations. Furthermore, if a lease agreement is renewed at a rent substantially higher than the current rate, or currently existing favorable terms granted by the lessor are not extended, our business and prospects may be adversely affected. In addition, as our business continues to expand, we may encounter difficulties in finding suitable alternative locations for our facilities. Any failure in relocating our operations could have a detrimental effect on our business, financial condition and prospects.

If we fail to maintain or update the requisite licenses, approvals and filings, or to continue complying with relevant laws and regulations as they may change, our business results of operation and financial condition may be materially and adversely affected.

The intelligent robotics industry in which we operate is highly regulated. In accordance with the PRC laws and regulations, we are required to maintain certain approvals, licenses and permits in order to operate our businesses in the PRC. As advised by our PRC Legal Advisors, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and effective as of the Latest Practicable Date.

Nevertheless, changes to relevant laws, regulations or interpretation by authorities, or changes in our business operations, may require us to obtain or update additional licenses, approvals or filings, or to take further compliance actions. We cannot assure you that we will be able to obtain, update or renew all required approvals, licenses and permits for our existing or future business operations on a timely basis, or at all. If we fail to do so or otherwise fail to comply with relevant laws and regulations, we may be subject to penalties such as the imposition of fines and discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

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Any failure to offer high-quality maintenance and support services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our customer base, we need to be able to continue to provide efficient customer support that meets our customer demand at scale. We may not be able to recruit or retain sufficient qualified support personnel with experiences in supporting customers of our products. As a result, we may be unable to quickly respond to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future scope of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. Any failure to maintain high-quality maintenance and support services would harm our business. If we experience increased customer demand for support and maintenance, we may face increased costs that might harm our results of operations. If we are unable to provide efficient customer maintenance and support, our business may be harmed. Our ability to attract new customers is highly dependent on our business reputation and positive recommendations from our existing customers. Any failure to maintain high-quality maintenance and support services, or any market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

Any significant cost overruns may materially and adversely affect our business, financial condition and results of operations and prospects.

Cost overruns may stem from unexpected increases in the cost of materials or labor, or technological development challenges that were not anticipated, and can lead to a significant strain on our financial condition. As a result, our financial condition can be adversely affected as we may have to allocate more capital to cover these overruns, potentially leading to the increased debt. This can also affect our creditworthiness and our ability to secure future financing on favorable terms. There is no assurance that our actual costs incurred will not exceed the estimated costs, due to under-estimation of costs, excessive wastage, inefficiency, damage or unforeseen additional costs incurred during the course of our business. Any under-estimation of costs, delay or other circumstances resulting in cost overruns may adversely affect our profitability, business operation and financial performance.

Any failure to comply with data privacy and security laws may adversely and materially impact our business, financial condition and results of operations.

We are subject to various laws and regulations concerning data security and privacy. Recently, the governments worldwide have placed increasing emphasis on privacy and data protection regulations. The PRC government, in particular, has implemented a series of laws, regulations and policies to safeguard personal data. We must comply with applicable laws and regulations throughout the entire life cycle of personal information, including its collection, storage, use, processing, transmission, provision, disclosure and deletion. Failure to comply with the increasingly stringent data and personal information protection laws in the PRC, as well as evolving data security and privacy regulations in other jurisdictions where we operate or plan to operate, could result in significant legal and regulatory penalties, reputational damage, and adverse effects on our business, financial condition, and results of operations.

As data privacy laws and industry standards continue to evolve globally, we will need to implement and maintain robust internal controls, compliance mechanisms, and risk management policies. Ensuring compliance with these requirements may require substantial resources, personnel, and capital investment. The unauthorized access, loss or misuse of data and personal information, whether by our company or our partners, could lead to significant consequences, including increased cybersecurity expenditures, regulatory investigations,

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enforcement actions, fines, litigation, indemnification obligations, remediation costs, and operational disruptions. In addition, defending against potential legal claims arising from such incidents may result in further financial and reputational exposure. Even unsubstantiated concerns raised by customers, employees, or third parties regarding our handling of data and personal information could harm our reputation and undermine trust in our brand, which may, in turn, negatively impact our business prospects and market perception.

Our employees and business partners may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our products and service, cause us to lose customers or subject us to liabilities.

We risk compromising the quality of our products if our employees and business partners, such as suppliers of raw materials and components and contract manufacturers, do not perform in accordance with our standards. We have internal policies and guidelines to monitor and ensure the products delivered to our customers are of satisfactory standard. In addition, we have adopted and strictly implemented a series of procedures designed to verify the integrity and qualifications of our employees before they are engaged, and of partners prior to any cooperation. However, there can be no assurance that such verification procedures will always be effective.

Nevertheless, we cannot guarantee that our employees and business partners will not engage in any intentional or negligent misconduct. Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees and business partners. Fraud or other unlawful activities by our employees and business partners may include making unauthorized misrepresentation to our customers, misappropriating third-party intellectual property and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our financial condition, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

We might experience work stoppage, labor shortage and other labor related matters, which may disrupt our normal operation and adversely affect our reputation and results of operations.

Our success depends on our ability to hire, train, retain and motivate our employees. We have implemented a range of policies and measures to protect the welfare and working conditions of our employees, including providing competitive remuneration packages, including salary and allowances, performance-based bonuses and long-term incentive programs, including but not limited to an employee stock ownership plan for managers, high-potential talent and key technical professionals. See “Business—Employees.” However, we cannot guarantee we will not face any labor-related issues, including labor disputes, strikes or the inability to attract and retain qualified workers, which may lead to work stoppages or labor shortages and significantly impact our ability to meet customer demands and fulfill orders within the expected time frames. For example, as our production facilities are located in China, we are subject to seasonal labor shortages in the manufacturing sector around Chinese New Year. During Track Record Period, we have observed a temporary reduction in our direct labor force during this period. In the event of severe labor shortages, production schedules and delivery timetables could be delayed, potentially affecting our ability to fulfill contracts and maintain customer satisfaction. Furthermore, such labor-related matters could

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incur addition costs associated with resolving labor disputes, hiring temporary workers or implementing contingent plans to mitigate the impact of labor shortages. These additional expenses, coupled with potential revenue losses from delayed deliveries, may negatively affect our business, financial condition and prospects.

Failure to make adequate contributions to social insurance contributions and housing provident fund as required by PRC regulations may subject us to penalties.

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make social insurance and housing provident fund contributions for our employees in full. In 2023, 2024 and 2025, such shortfalls amounted to RMB16.6 million, RMB14.8 million and RMB20.2 million, respectively. As advised by our PRC Legal Advisors, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

As advised by our PRC Legal Advisors, on the grounds that (i) during the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the above incidents, contributions, nor had we received any order or been informed to settle the under contributions; and (ii) the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) strictly prohibits local authorities to conduct self-collection of historical unpaid social insurance contributions from companies, and as long as we make full payment within the stipulated deadline, if required by relevant authorities in the future, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would seek to recover the historically unpaid housing provident funds and/or impose any administrative penalties on us due to our failure to make full payment of the housing provident funds is remote. Nevertheless, we cannot assure you that we will not receive any complaint or demand for social insurance or housing provident fund contribution from our employees, or that the relevant PRC authorities will not require us to make additional social insurance and housing provident fund contributions. If such circumstances occur, our financial condition and results of operations may be adversely affected.

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We are subject to risks related to payment and defaults of customers which could adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our various customers. As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to RMB115.5 million, RMB160.3 million and RMB154.3 million, respectively. As of the same dates, we recorded the provision for impairment of trade receivables of RMB4.4 million, RMB8.3 million and RMB10.1 million, respectively. Our trade and bills receivables turnover days in 2023, 2024 and 2025 were 127 days, 113 days and 81 days, respectively. See “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position—Trade and Bills Receivables.” We may not be able to collect all of our trade and bills receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers’ inability to pay due to delays in payment from their own end users. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would have a negative impact on our liquidity and financial condition.

We are exposed to risks associated with the fair value change in financial assets at fair value through profit or loss and valuation uncertainty regarding the use of observable inputs.

We had net fair value gains on financial assets at fair value through profit or loss (“FVTPL”), which were primarily in relation to our investments in the wealth management products, of RMB0.1 million, RMB73,000 and RMB12,000 in 2023, 2024 and 2025, respectively. As of December 31, 2023, 2024 and 2025, we had financial assets at FVTPL of RMB106.1 million, RMB10.1 million and RMB20.0 million, respectively. See “Financial Information—Description of Key Components of Our Results of Operations—Other Income and Gains” and “Financial Information—Discussion of Certain Key Items from Consolidated Statements of Financial Position—Financial Assets at FVTPL.”

Our fair value of our financial assets at FVTPL is estimated by using valuation techniques and on the basis of observable inputs. The use of observable inputs renders valuation uncertain, as changes of observable inputs such as expected rate of return may change the fair value of the financial asset. The fluctuation of our financial assets at FVTPL may continue to affect our results of operations in the future. We cannot assure you that market conditions and regulatory environment will create fair value gains on the financial asset or we will not incur any fair value losses on our financial asset at FVTPL in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected. For fair value measurement of financial instruments, see Note 35 to the Accountants’ Report in Appendix I to this prospectus.

Any reduction or discontinuation of preferential tax treatment or government grants may adversely affect our financial condition and results of operations.

We enjoyed preferential tax treatment and government grants during the Track Record Period. The PRC EIT Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. However, the income tax of an enterprise that has been determined to be a national High and New Technology Enterprise (“HNTE”) can be reduced to a preferential rate of 15%. We were recognized as a national HNTE, and hence is entitled to a preferential income tax rate of 15% during the Track Record Period. See “Financial Information—Description of Key Components of Our Results of Operations—Income Tax Expense.” If we cease to be entitled to preferential tax treatment or if the relevant PRC laws and regulations change, our income tax expenses may increase, which would adversely affect our financial condition and results of operations.

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We receive government grants from time to time. In 2023, 2024 and 2025, the government grants we recognized as other income were RMB8.0 million, RMB10.3 million and RMB14.4 million, respectively. See “Financial Information—Description of Key Components of Our Results of Operations—Other Income and Gains.” There can be no assurance that we will continue to receive and benefit from government grants in the future.

We have granted, and may continue to grant, certain awards under our employee incentive plans, which may result in increased equity-settled share-based payment expenses and cause shareholding dilution to our existing Shareholders.

To attract and retain talents and to provide incentives to our employees for our long-term development, we adopted three Employee Incentive Schemes, namely the 2020 Employee Incentive Scheme, the 2021 Employee Incentive Scheme and the 2025 Employee Incentive Scheme. See “Appendix VI—Statutory and General Information—D. Employee Incentive Scheme.” We recorded equity-settled share-based payment expenses of RMB12.7 million, RMB11.8 million and RMB22.8 million in 2023, 2024 and 2025, respectively. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based compensation expenses may increase, which may adversely affect our results of operations and financial condition. In addition, issuance of additional H Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

Our operations are subject to seasonal fluctuations.

Our revenue, cash flow and results of operations are affected by seasonal fluctuations in demand for our products, which are primarily driven by the seasonal nature of e-commerce platform discount seasons that influence our customer demands. For example, during major shopping events and holiday promotions, which typically concentrate at the end of the year, there is increased consumer interest in our customers’ complete robot products, which impacts our delivery of these products in the second and third quarter of each year. As a result, our delivery of relevant products typically increases in the latter half of the year. As the revenue contribution from our robot lawn mower business increases, our overall financial performance becomes more exposed to its seasonality. For this business line, we typically record higher revenue in the summer, when the demand for lawn mowing is at its peak. See “Business—Seasonality” and “Financial Information—Key Factors Affecting Our Results of Operations—Seasonality.” As we believe that this pattern is likely to continue in the foreseeable future, quarterly comparisons of our operating results may not be useful, and our results of operations in any particular period will not necessarily be indicative of future performance. If our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a material impact on our revenue, cash flow, and operating results from period to period. We anticipate to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition, which could result in volatility and adversely affect the price of our H Shares.

Our risk management and internal control systems may not be adequate or effective.

We have developed and implemented a range of risk management and internal control policies that encompass various aspects of our business operations to supervise and address a spectrum of operational, financial, legal and market risks that may be or have been identified. However, we cannot assure you that these systems are sufficiently effective. See “Business—Risk Management and Internal Control.” Since our risk management and internal control systems depend on implementation by our employees, we cannot assure you that our

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employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Changes in international trade policies, geopolitics and trade protection measures and export control may materially and adversely affect our business, financial condition and results of operations.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries. For example, we may be materially and adversely affected by export controls and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased tariffs, duties, taxes and other costs and political instability. Furthermore, concerns over inflation, energy costs, geopolitical frictions, capital market volatility and liquidity issues may create difficult operating conditions in the future. Sales of our products in certain countries and sales of products that include components obtained from certain foreign suppliers could be materially and adversely affected by international trade regulations. In addition, our robotic manufacturer customers may sell their products that have integrated our visual perception products to overseas markets and such products may be subject to existing or new tariffs, trade restrictions or related measures imposed by foreign jurisdictions. If tariffs, trade restrictions or related measures are imposed on, or expanded in scope to cover, the products of our customers, the overseas sales of such products may be adversely affected, which in turn may reduce demand for our products, result in order rescheduling, reduction or cancellation by our customers, and negatively impact our revenue and profitability.

Significant political, trade, or regulatory developments in the jurisdictions in which we operate, such as those stemming from the current U.S. government, are difficult to predict and may have a material adverse effect on us. Similarly, changes in U.S. policy could give rise to circumstances outside our control that could have negative impacts on our business operations, including as a result of an economic downturn and geopolitical events, such as changes in U.S. policy that affect the geopolitical landscape. Changes to policy implemented by the U.S. government have impacted and may in the future impact, among other things, the U.S. and global economy, international trade relations, the U.S. regulatory environment, inflation, and other areas. Furthermore, any significant increase in tariffs, trade restrictions or related measures imposed by foreign jurisdictions on robotics products exported by our customers, including those integrated with our visual perception products, may adversely affect our customers' competitiveness in overseas markets and therefore their purchasing needs for our products.

Our business may also be impacted by the imposition of tariffs by the U.S. and any resulting retaliatory tariffs in the countries in which we operate. The U.S. has imposed a series of tariffs specifically targeting imports from China, as well as from other countries. The U.S. introduced a series of tariffs in early 2025, targeting imports from China and other regions. Significant tariffs were imposed starting February 2025, followed by further measures. These measures prompted reciprocal tariffs from China and other countermeasures. However, the U.S. and China reached an agreement to temporarily defer the implementation of new tariff measures for at least 90 days from May 14, 2025, with a further extension of 90 days granted on August 11, 2025, and an additional one-year extension agreed on November 2, 2025, extending the deferral to November 10, 2026. In addition, on October 30, 2025, the two countries reached a consensus for the United States to reduce its 20% tariff on Chinese imports linked to fentanyl concerns to 10%. As a result, as of the Latest Practicable Date, the overall

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tariff imposed on our products exported to the United States was 17.5%. In 2023, 2024 and 2025, our revenue generated from the U.S. accounted for 0.1%, 0.6% and 3.1% of our total revenue, respectively. However, there is significant uncertainty on how this matter will evolve, and any rising political tensions, as well as increases in tariffs or changes to trade policies between the U.S. and China, may have a significant impact on our business. As of the Latest Practicable Date, we had not received any order cancellations, pricing adjustments, or delivery suspensions from customers due to the recent U.S. tariff hikes. Furthermore, given our limited sales to the U.S. during the Track Record Period and up to the Latest Practicable Date, the impact of the increased tariffs by the U.S. and the countermeasures taken by China on our business operations was limited. However, the uncertainty surrounding potential changes in U.S. trade policies, particularly regarding tariffs on Chinese imports, could adversely affect our business operations and financial performance. Any substantial increases in tariffs or trade restrictions implemented by the U.S. administration could lead to retaliatory measures by China, potentially disrupting global supply chains. If we are unable to successfully manage the impact and the increased costs resulting from the increased tariffs, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations. If we fail to maintain ongoing compliance with such laws and regulations can subject us to administrative, civil and criminal penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, financial condition, results of operations and prospects.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct activities, including the United States Foreign Corrupt Practices Act (“FCPA”), and other anti-corruption laws and regulations. The FCPA prohibits us and our officers, Directors, employees, and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing, or providing anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records, and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. A violation of these laws or regulations could adversely affect our business, financial condition, results of operations, and prospects.

We are also in the process of implementing policies and procedures designed to ensure continued compliance by us and our Directors, officers, employees, representatives, consultants, agents, and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations. However, our policies and procedures may not be sufficient and our Directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, financial condition, results of operations and prospects.

Certain countries or organizations, including the United States, the European Union, the United Nation, the United Kingdom and Australia, have, through executive order, legislations or other government means, implemented measures that impose economic sanctions against

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certain countries, regions or targeted industry sectors, groups of companies or persons, and/or organizations within such countries and regions. Sanctions laws and regulations are continually evolving, with new individuals and entities regularly being added to the list of sanctioned persons. Moreover, new requirements or restrictions may come into effect, potentially intensifying scrutiny on our business, particularly concerning our international expansion plans, or resulting in one or more of our business activities being deemed to have violated sanctions. Our business and reputation could be adversely affected if we fail to maintain compliance with relevant sanctions or if the authorities of relevant jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose.

U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our ability access to capital in the future.

As our business is closely interrelated with our customers and suppliers, any imposition of economic sanctions or export control, that impacts our customers or suppliers could materially and adversely affect our business, financial condition and results of operations. Moreover, we may be subject to review and enforcement under domestic and foreign laws that govern foreign investment and acquisitions. In both U.S. and non-U.S. jurisdictions, these regulatory requirements may apply different requirements based on the nature of the company and the profiles of the investors involved. As a result, investments by particular investors may need to be filed with local regulators or could even be prohibited under certain circumstances, which limits our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently issued U.S. government regulations, such as the final rule (the “**Final Rule**”) implementing Executive Order 14105 which became effective in January 2025, restricts direct and indirect investment by U.S. persons (as defined under the Final Rule) into companies with specified connections to China that use specific technologies of concern. Notably, on February 21, 2025, the U.S. government issued the “America First Investment Policy” proposing to further expand the set of technologies of concern. These rules are aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China in certain sectors, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us.

We are not involved in any of the prohibited transactions under the Final Rule. In terms of whether technologies developed by us to be utilized on intelligent robots should be deemed as “AI systems” which are intended to be used for the control of robotics systems, and therefore trigger notification requirements delineated in Section 850.217 of the Final Rule, since our core technologies are concentrated on the aspect of intelligent robot visual perception which may improve a robot’s sensing capability but have no relation to the control of robot systems, our Directors, as advised by our International Sanctions Counsel, confirmed that as of the Latest Practicable Date, we are not a “Covered Foreign Person” given that our business should not constitute notifiable transactions under Sections 850.217 of the Final Rule. However, neither “robotic system” nor “control” is defined under the Final Rule, and we cannot assure you that the U.S. Department of the Treasury will not reach a different conclusion, which could implicate the notification requirements under the Final Rule for U.S. persons. U.S. persons should consult their legal counsel regarding the applicability of the Final Rule to this Offering.

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

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot assure you that we will not be involved in various legal proceedings and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Even if we prevail in

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any litigation or enforcement proceeding against us, we could incur significant legal costs defending against the claims, even those without merit. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

Changes in Environmental, Social and Governance (ESG) compliance requirements could have an adverse impact on our business, operating results, financial condition and prospects.

With the rising awareness of ESG issues, including with respect to waste disposal, packaging waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the ESG-related laws and regulations applicable to us. See “Business—Environmental, Social and Governance Matters.” There can be no assurance that these measures can effectively help us to navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and accordingly may have an adverse impact on our business, results of operations, financial performance and prospects.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches which could materially and adversely affect our business, financial condition, results of operations and prospects.

We rely on information technology networks and systems for electronic communications among our personnel, customers, manufacturers and suppliers and for synchronization with our manufacturers and logistics providers on demand forecast, order placements and manufacturing and service status and capacity. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations, financial condition and prospects.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had obtained and maintained insurance policies that we believe are customary for businesses of our size and type and in line with standard commercial practice in China. As of the Latest Practicable Date, we had not maintained product liability insurance, and do not carry any business interruption or litigation 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 be able to purchase product liability insurance or other related insurance on

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acceptable terms. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, production facilities or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business may be materially and adversely affected by force majeure events, natural disasters or outbreaks of contagious diseases.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases may materially and adversely affect our business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business. Moreover, natural disasters such as snowstorms, earthquakes, fires and floods can cause physical damage to our production facilities, equipment and inventory which could result in production delays, inventory shortages and obsolete, which could increase our impairment and costs for repairs and replacements. Additionally, these events can lead to power outages, communication interruptions and transportation disruptions, further hampering business operations.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the governments' policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local markets. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

The proceeds from the Global Offering will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES WHERE WE OPERATE

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the jurisdictions where we operate could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in the countries where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of

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resources. The intelligent robotics industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, consumer demand and discretionary spending. Any changes in these factors may have a material and adverse effect on our business, financial condition and results of operations.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your investment.

The conversion of Renminbi is subject to applicable laws and regulations in China. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE. We are required to present documentary evidence of such transactions and conduct such transactions at banks that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, normally need to be approved by or be registered by the SAFE or its designated banks. Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, any change in these foreign exchange policies or any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, financial conditions and results of operations, may be affected.

Our operations are subject to PRC and overseas tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our business, financial performance and results of operations.

Trade tensions between U.S. and China in recent years have led to uncertainties in U.S. tariff policies on goods from China. In February 2025, the Trump Administration imposed 20% fentanyl tariffs pursuant to IEEPA (the “IEEPA Fentanyl Tariffs”) on goods from China. On April 9 and April 10, 2025, the Trump Administration imposed two additional reciprocal tariffs on goods from China of 34% and 125%, respectively. Based on a trade deal between U.S. and China, these China specific reciprocal tariffs are currently paused based on a tariff truce until November 10, 2025. The international tariff policies, particularly policies between U.S. and China, are rapidly evolving, and the outcome is highly uncertain. The reciprocal tariff may increase the price of the products imported to U.S. from China and reduce their competitiveness. We cannot assure you that our sales volume will continue to increase should we decide to increase the price of our products selling to the U.S. In addition, we cannot assure you that other countries will not increase tariff on goods from China, and we may adopt similar price increase measures if so. Should such price increase affect our sales volume, any decrease in our sales volume in overseas market may adversely affect our business, financial conditions and results of operation.

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

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

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Non-Chinese resident individuals are required to pay individual income tax at a rate of 20% under IIT law for the interests, dividends and bonuses they obtain from China. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), when a tax rate of 10% is not applicable, the withholding company shall: (i) return the excess tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (ii) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (iii) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non-Chinese resident enterprises that do not have establishments or premises in China, and for those who have establishments or premises in China but whose income is not related to such establishments or premises under the EIT law, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of Shares are ordinarily subject to China enterprise income tax at a rate of 20%. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by Chinese Resident Enterprises on Dividends Paid to Overseas Non-Chinese Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT, such tax rate has been reduced to 10%.

If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your investment in our H Shares may be materially affected.

Payment of dividends is subject to laws and regulations in the PRC.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve and discretionary surplus reserve (as approved by our Shareholders meeting). Our distributable net profit represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under HKFRS Accounting Standards. As a result, we may not have sufficient distributable profits to make dividend distributions to our Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors and management.

Substantially all of our assets are located in China and the majority of our executive Directors and senior management reside in China. Therefore, it may be difficult for investors to directly effect service of legal process within Hong Kong or elsewhere outside of China upon us or our Directors or senior management.

On July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of

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Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (“Arrangement”), which came into effect on August 1, 2008. Pursuant to the Arrangement, a party with an enforceable final court judgment rendered by any designated people’s court in mainland China or any designated Hong Kong Special Administrative Region court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the relevant people’s court in mainland China or Hong Kong Special Administrative Region court. Similarly, a party with an enforceable final judgment rendered by a people’s court in mainland China requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement, in which a Hong Kong Special Administrative Region court or a people’s court in mainland China is expressly identified as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a Hong Kong Special Administrative Region court’s verdict in the PRC if the parties to the dispute did not agree to a written choice of court agreement. On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong Department of Justice entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “New Arrangement”), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and mainland China, based on criteria other than a written choice of court agreement. The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024 but remained applicable to a “written choice of court agreement” entered into before the New Arrangement taking effect. However, there can be no assurance that all final judgments will be recognized and effectively enforced by the relevant courts.

RISKS RELATING TO THE GLOBAL OFFERING

No public market currently exists for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. We have applied to the Stock Exchange for the listing of, and permission to deal in, our H Shares. However, there can be no assurance that an active trading market for our H Shares will develop or be sustained after completion of the Global Offering. Pursuant to applicable PRC laws, all of the Shares in issue as of the date of this prospectus will be subject to a lock-up period of one year from the Listing Date. If an active public market for our H Shares does not develop following completion of the Global Offering, the market price and liquidity of our H Shares could be materially and adversely affected.

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

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile

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for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

We may require additional cash resources to finance our continued growth or other future developments. We may seek additional financing through selling additional equity or debt securities or obtaining a credit facility. The sale of additional equity securities could result in additional dilution to our Shareholders. Certain equity securities that may be issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends.

Servicing such debt obligations could also be burdensome to our operations and adversely affect our cash flows or limit our flexibility in business development and strategic plans.

We cannot assure you whether and when we will declare and pay dividends in the future.

Distribution of dividends shall be formulated by our Board of Directors at their discretion and may be subject to Shareholders' approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, operating and capital expenditure requirements, distributable profits as determined under HKFRS, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation and any other factor determined by our Board of Directors from time to time as being relevant to the declaration of dividend payments. As a result, our historical dividend distributions are not indicative of our future dividend distribution policy. There can be no assurance whether, when and in what form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy. See "Financial Information—Dividend."

Because the Offer Price per Share is higher than the net tangible book value per Share, purchasers of our H Shares in the Global Offering will experience immediate dilution.

The Offer Price of our H Shares is higher than the net tangible book value per Share immediately prior to the Global Offering. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution, and existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets value per share of their shares. See Unaudited Pro Forma Financial Information in Appendix II to this prospectus for details.

Certain facts, forecasts and statistics derived from official government sources contained in this prospectus may not be reliable and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this prospectus, particularly those relating to the general economy, e-commerce and intelligent robotics industry, from information provided by official government sources and other third-party sources. We have

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not independently verified information and statistics from official government sources, and there can be no assurance as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics. Market opportunity estimates included in this prospectus, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

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

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

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

The Global Offering is being made solely on the basis of the information and representations contained in this prospectus, which are true and accurate to the best of our knowledge and belief. Any information not contained in this prospectus should not be relied upon in making an investment decision with respect to the securities being offered. Prior to the publication of this prospectus, there has been coverage in the media regarding us and the Global Offering, which may have contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We make no representation as to the appropriateness, accuracy, completeness or reliability of such information, and disclaim responsibility for such information. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it. Accordingly, prospective investors are cautioned to make their investment decisions with respect to our H Shares on the basis of the information contained in this prospectus only and should not rely on any other information. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

Our headquarters are based, and most of the business operations of our Group are managed and conducted, in the PRC. Our executive Directors ordinarily reside in the PRC and play important roles in our Group's business operations. It is in our best interests for them to be based in places where our Group has significant operations. As such, the Company considers that it would be more practical for its executive Directors to remain ordinarily resident in the PRC where the Company has substantial operations, and that it would be unduly burdensome and impracticable to relocate the executive Directors of the Company to ordinarily reside in Hong Kong. Therefore, our Company does not have and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

1. we have appointed Mr. Zhou and Ms. SIOW Grace Yuet Chew (蕭月秋) ("Ms. Siow") as our authorized representatives ("Authorized Representatives") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone and email to promptly deal with enquiries from the Hong Kong Stock Exchange. Ms. Siow is a permanent resident of and ordinarily resides in Hong Kong. Mr. Zhou, being ordinary resident of the PRC, possesses valid travel documents and is able to renew such travel documents when it expires in order to visit Hong Kong. Accordingly, the Authorized Representatives will also be available to meet with the relevant members of the Hong Kong Stock Exchange on reasonable notice;
2. when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Authorized Representatives and the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address) of all Directors to facilitate communication with the Hong Kong Stock Exchange. In the event that any Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to the Authorized Representatives;
3. to the best of our knowledge and information, all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

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4. we have appointed Guotai Junan Capital Limited as our Compliance Advisor upon Listing pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide our Company with professional advice on continuing obligations under the Listing Rules and act as the additional channel of communication with the Hong Kong Stock Exchange during the period from the Listing Date to 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 immediately after the Listing. To facilitate communication with the Hong Kong Stock Exchange, we have provided the Hong Kong Stock Exchange with the contact details of the Compliance Advisor's officers who will act as the Compliance Advisor's contact persons, including their mobile and office telephone numbers, facsimile numbers and email addresses; the Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, the Authorized Representatives, the Directors and other officers and the Compliance Advisor, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Advisor informed of all communications and dealings between our Company and the Hong Kong Stock Exchange; and
5. meetings between the Hong Kong Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable period. Our Company will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change in the Authorized Representatives, the Directors and/or the Compliance Advisor of our Company in accordance with the Listing Rules.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

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

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time but in any event not exceeding three years from the date of Listing (the “Waiver Period”) and on the following conditions: (i) the relevant 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 joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by the Company.

Our Company has appointed Ms. TANG Yanli (唐艷麗) (“Ms. Tang”) and Ms. Siow as the joint company secretaries of our Company. Ms. Siow, who is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules. Ms. Tang has served as our chief financial officer and Board secretary, and has been responsible for overall financial management affairs and day-to-day management of the Group. Through such experience, Ms. Tang has acquired extensive experience in handling finance, corporate governance and compliance as well as a thorough understanding of the daily operations and internal administration of the Group. See “Directors and Senior Management—Joint Company Secretaries” in this prospectus for further information regarding the qualifications of Ms. Tang and Ms. Siow. By virtue of Ms. Tang’s experience and familiarity with our Group, we believe Ms. Tang is capable of discharging the duties as one of the joint company secretaries of our Company and is a suitable person to act as one of the joint company secretaries of our Company. Further, given that the main operation of our Company is in the PRC, we believe that it would be in the best interests of our Company and our corporate governance to have Ms. Tang with the relevant background and experience in the PRC to act as our joint company secretary.

Accordingly, whilst Ms. Tang does not possess the formal qualifications required of a company secretary under Rules 3.28 and 8.17 of the Listing Rules, based on the above reasons, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Tang will be appointed as our joint company secretary.

The waiver has been granted for a Waiver Period of three years on the condition that:

- (a) Ms. Siow, as a joint company secretary of our Company, will work closely with, and provide assistance to, Ms. Tang in the discharge of her duties as a joint company secretary for an initial period of three years from the date of the Listing. Ms. Siow is a suitably qualified person to render assistance to Ms. Tang so as to enable her to acquire the “relevant experience” as is required of a company secretary under Rule 3.28 of the Listing Rules;
- (b) Ms. Tang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year Waiver Period from the Listing Date;
- (c) our Company will further ensure that Ms. Tang has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. In addition,

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Ms. Tang will endeavor to attend relevant trainings and familiarize herself with the Listing Rules and duties required for a company secretary of a PRC issuer whose shares are listed on the Hong Kong Stock Exchange; and

- (d) upon expiry of Ms. Tang's initial term of appointment as the joint company secretary of our Company, we will evaluate her experience in order to determine if she has attained the relevant experience (within the meaning of Rule 3.28 Note 2) and is capable of discharging the functions of a company secretary, and whether on-going assistance should be arranged so that Ms. Tang's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Prior to the expiry of the Waiver Period, our Company must demonstrate to the Hong Kong Stock Exchange that Ms. Tang has acquired the relevant experience under Rule 3.28 Note 2 and is capable of discharging the duties of a company secretary. Our Company should also seek confirmation from the Hong Kong Stock Exchange as to whether ongoing assistance is required or if Ms. Tang may continue to serve without a further waiver.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

We have filed the required documents with the CSRC, and the CSRC has issued the filing notice dated February 14, 2026, confirming our completion of the filing pursuant to the new filing regime introduced by the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies for the Global Offering, for the Conversion of Unlisted Shares into H Shares and the application for 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. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 3,333,400 Offer Shares and the International Offering of initially 30,000,000 Offer Shares (subject to reallocation on the basis as set out in the section headed “Structure of the Global Offering”).

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

For details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering.”

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for the conversion of an aggregate of 300,000,000 Unlisted Shares into H Shares. For details, see the section headed “History, Development and Corporate Structure” and “Share Capital.” Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

The relevant filing procedure in relation to the Conversion of Unlisted Shares into H Shares has been completed on February 14, 2026.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

UNDERWRITING

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Sponsor-Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date. For further details on the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting.”

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the Listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Dealings in the H Shares on the Stock Exchange are expected to commence on Monday, May 11, 2026. Except as otherwise disclosed in this prospectus, no part of our Shares is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought in the near future.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

REGISTER OF MEMBERS AND STAMP DUTY

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

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

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

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, or dealing in, or the exercise of any rights in relation to, our H Shares. None of our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, or dealing in, or the exercise of any rights in relation to, our H Shares.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages, the Chinese version of these names shall prevail in the event of any inconsistency.

ROUNDING

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

CURRENCY TRANSLATION

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

Unless otherwise specified, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this prospectus was made at the following rates:

RMB0.8759 to HK\$1.00

RMB6.8594 to US\$1.00

HK\$7.8134 to US\$1.00

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

For further information on our Directors, please refer to the section headed “Directors and Senior Management” of this prospectus.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. ZHOU Wei (周偉)	Room 4 South-C, Yukang Building 14 Xuefu Road Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Mr. GUO Gaihua (郭蓋華)	Room 17C, Building 1 Zhonghai Shenzhenwan Pan Garden Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Mr. ZHANG Jun (張軍)	Room 26J, Tower B Xiangmi Shidai Haoting Qiaoxiang Road Futian District, Shenzhen Guangdong Province PRC	Chinese
Non-executive Director		
Dr. HUANG Xi (黃喜)	Room 501, Unit 2, Building 18 10 Guangguayi Road Hongshan District, Wuhan Hubei Province PRC	Chinese
Independent non-executive Directors		
Mr. CHENG Hao (程浩)	Room 3102, Building A Lanwan Peninsula Furong Road Futian District, Shenzhen Guangdong Province PRC	Chinese
Dr. YAN Hongyu (閔紅玉)	Room 9A, Building B, Hubin Garden 25 Qiaocheng East Street Shahe Subdistrict Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Mr. HONG Kam Le (康錦里)	Room B, 17/F, Block 9 Braemar Hill Mansion 31 Braemar Hill Road North Point Hong Kong	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Haitong International Capital Limited

Suites 3001-3006 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central, Hong Kong

Guotai Junan Capital Limited

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

Sponsor-Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries

Haitong International Securities Company Limited

28/F, 30/F Suites 3001-3010 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central, Hong Kong

Guotai Junan Securities (Hong Kong) Limited

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

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries

China International Capital Corporation Hong Kong Securities Limited

29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

SDIC Securities (Hong Kong) Limited (Formally known as SDICS International Securities (Hong Kong) Limited)

39/F, One Exchange Square
Central
Hong Kong

Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries

Futu Securities International (Hong Kong) Limited

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

Orient Securities (Hong Kong) Limited

28th and 29th Floor,
100 Queen's Road Central
Central, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CMBC Securities Company Limited

34/F, One Exchange Square,
8 Connaught Place,
Central, 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

Goldbridge Securities Limited

RM1902,19/F,
Hing Yip Commercial Centre,
No. 272-284 Des Voeux Road,
Sheung Wan, Hong Kong

Auditor and Reporting Accountants

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Legal Advisors to the Company

As to Hong Kong and U.S. laws:

Linklaters

11/F, Alexandra House
Chater House
Hong Kong

As to PRC law:

Zhong Lun Law Firm

22-31/F, South Tower of Third Building,
CP Center
20 Jin He East Avenue
Chaoyang District
Beijing
PRC

As to International Sanctions laws:

King & Wood

10F, Building B4, Xincheng Lingang Center
Lane 9, North Yunjuan Road
Shengang Street
Pudong New District, Shanghai
PRC

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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

As to Hong Kong and U.S. laws:

Jones Day

31/F, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District, Beijing
PRC

Industry Consultant

**China Insights Industry
Consultancy Limited**

10/F, Block B, Jing'an International Center
88 Puji Road
Jing'an District, Shanghai
PRC

Receiving Bank

**CMB Wing Lung Bank
Limited**

14/F, CMB Wing Lung Bank
Building
45 Des Voeux Road
Central, Hong Kong

CORPORATE INFORMATION

Registered Office	16/F, Tower A, Building 6 International Innovation Valley Xili Subdistrict, Nanshan District, Shenzhen Guangdong Province PRC
Headquarters and Principal Place of Business in the PRC	7/F and 16/F, Tower A, Building 6 International Innovation Valley Xili Subdistrict, Nanshan District, Shenzhen Guangdong Province PRC
Principal Place of Business in Hong Kong	Room 1916, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	<u>https://www.ldrobot.com/</u> <i>(The information on the website does not form part of this prospectus)</i>
Joint Company Secretaries	Ms. TANG Yanli (唐艷麗) 7/F and 16/F, Tower A, Building 6 International Innovation Valley Xili Subdistrict Nanshan District, Shenzhen Guangdong Province PRC Ms. SIOW Grace Yuet Chew (蕭月秋) Room 1916, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. ZHOU Wei (周偉) Room 4 South-C, Yukang Building 14 Xuefu Road Nanshan District, Shenzhen Guangdong Province PRC Ms. SIOW Grace Yuet Chew (蕭月秋) Room 1916, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee	Mr. CHENG Hao (程浩) Dr. YAN Hongyu (閆紅玉) (<i>Chairperson</i>) Mr. HONG Kam Le (康錦里)
Remuneration Committee	Mr. ZHOU Wei (周偉) Mr. CHENG Hao (程浩) (<i>Chairperson</i>) Mr. HONG Kam Le (康錦里)
Nomination Committee	Mr. ZHOU Wei (周偉) (<i>Chairperson</i>) Mr. CHENG Hao (程浩) Dr. YAN Hongyu (閆紅玉)
Compliance Advisor	Guotai Junan Capital Limited 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
H Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank	China Construction Bank Corporation Shenzhen Fuhua Branch 12/F, Northwest Corner Zhaobangji Finance Building 319 Fuhua Road Futian District, Shenzhen Guangdong Province PRC China Merchants Bank Shenzhen Yuncheng Branch No. 135-144, Block B, Building 7, Phase 1 Vanke Cloud City Nanshan District, Shenzhen Guangdong Province PRC Industrial Bank Shenzhen Xili Branch No. 112, 113, Phase 1 Chuangzhi Cloud City Project Intersection of Liuxian Avenue and Chuangke Road Xili Subdistrict, Nanshan District, Shenzhen Guangdong Province PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, CIC. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters or any of their respective directors, officers, employees, advisors or agents or any other parties involved in the Global Offering, and no representation is given as to its accuracy, fairness and completeness.

SOURCE OF INFORMATION

CIC was commissioned to conduct research, analyze and prepare the CIC Report on the global market for intelligent robot visual perception technology, along with other related economic data. The commissioned report has been independently prepared by CIC without influence from us and other interested parties. We have agreed to pay a fee of RMB450,000 to CIC in connection with the preparation of the CIC Report.

During the preparation of the CIC Report, CIC conducted both primary and secondary research. Primary research involved interviews with key industry experts and leading market participants, while secondary research collected publicly available sources such as publications issued by the Chinese government, annual reports released by relevant industry players, information from industry associations and CIC's proprietary database.

Our Directors confirm that, to the best of their knowledge and after making all reasonable enquiries, there has been no material adverse change in the market information since the date of the CIC Report that would limit, conflict with or otherwise affect the information presented in this section.

ANALYSIS OF GLOBAL INTELLIGENT ROBOT MARKET

Booming Global Intelligent Robot Market

Advances in AGI is fueling significant growth in robotics industry, driven by leaps in perception and decision-making capabilities. As one of the most important applications of AI, intelligent robots are reshaping global production systems and changing the way people live and interact with technology.

Intelligent robots have advanced environmental awareness, enabling autonomous operation and adaptable teamwork. Their ability to handle complex tasks, navigate unstructured environments and collaborate smoothly with people is driving their rapid adoption across a wide range of applications.

The global intelligent robot market has experienced robust expansion, with the overall market surging from RMB158.3 billion in 2020 to RMB369.0 billion in 2024, representing a CAGR of 23.6%. Meanwhile, the shipment volume of intelligent robots exceeded 27.0 million units in 2024. Looking ahead, the market is projected to maintain its growth trajectory and is expected to exceed RMB1.0 trillion in 2029, corresponding to a CAGR of 22.2%. This is driven by multifactorial catalysts, such as diversifying scenarios and rising demand for customization, technological breakthroughs in both hardware and software, evolution of AIoT and large model, and policy and capital support.

INDUSTRY OVERVIEW

The burgeoning consumer demand for smart living has spurred a significant increase in the demand for household service robots, positioning this segment as a critical component of the intelligent robotics market. The global market size for household service robots grew from RMB39.5 billion in 2020 to RMB91.3 billion in 2024, and is projected to maintain this momentum, reaching RMB297.3 billion by 2029. Concurrently, the professional service and industrial robot market segment, propelled by industrial intelligent transformation and technological advancements, exhibits robust demand and is anticipated to reach RMB708.5 billion by 2029. China, Europe and North America are among the major markets for both household service and professional service and industrial robots.

ANALYSIS OF GLOBAL INTELLIGENT ROBOT VISUAL PERCEPTION TECHNOLOGY MARKET

Visual Perception as the Core of Intelligent Robots' Perception Technology

Intelligent robot perception technology refers to the technical system that enables intelligent robots to obtain, analyze and interact with environmental information in real time. It serves as the critical bridge between the physical world and robots, forming the foundation for intelligent robots' autonomous decision-making and actions. Based on perception type, intelligent robot perception technology can be categorized into visual perception, auditory perception, tactile perception, force perception and other types.

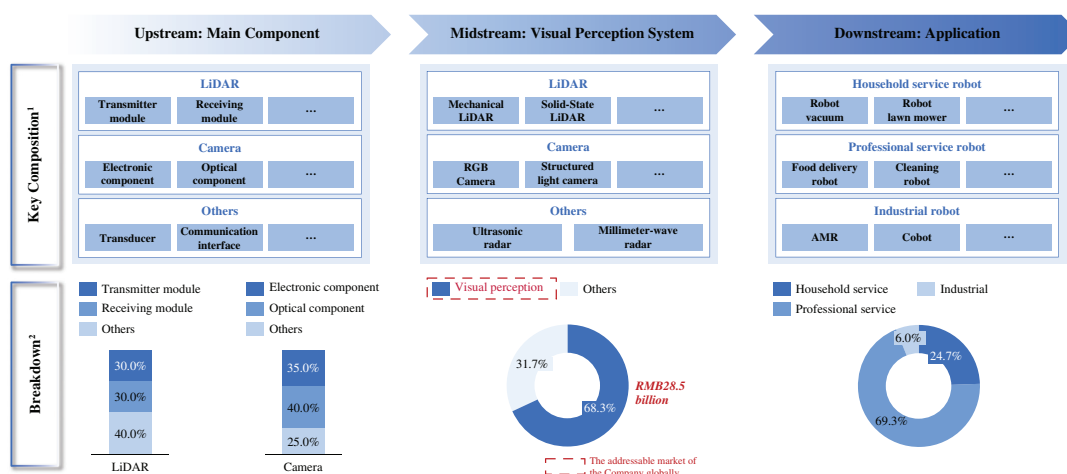
In various application scenarios, different types of perception technologies serve distinct roles based on the functional needs of each intelligent robot category. For example, household service and commercial service robots predominantly utilize visual and auditory perception technologies to support spatial mapping, path planning, and real-time obstacle detection. As for collaborative robots operating in industrial settings, they prioritize force perception technology to ensure safety and operational flexibility during human-robot interactions. Humanoid robots necessitate multi-modal sensors, encompassing visual, auditory, force, and inertial inputs, to acquire environmental and self-state information, enabling a holistic environmental understanding and precise self-state estimation.

Visual perception serves as the “eyes” of intelligent robots, acquiring environmental data through sensor arrays and leveraging image processing, pattern recognition, and AI algorithms to detect, locate and understand objects, scenes and motions, ultimately guiding robot behavior and decision-making. It is the most critical perception system for intelligent robots.

The value chain of intelligent robot visual perception technology mainly consists of upstream core components, midstream visual perception solutions, and downstream applications across various scenarios. The visual perception system integrates multi-modal sensors such as LiDAR, cameras, and ultrasonic radar to capture environmental information. The system's performance directly determines the environmental perception ability and applicable scenarios of the intelligent robot. LiDAR stands out as the highest-precision sensor among these sensors, offering exceptional anti-interference capabilities and environmental adaptability for real-time distance measurement and dynamic target tracking. Currently, LiDAR technology is deployed in over 85% of intelligent robots, with sustained penetration growth anticipated. At the same time, the supporting software solution is also an indispensable part of the visual perception system, which determines the processing efficiency of perception data and the accuracy of decision-making, and constitutes a key link in the visual perception solution of intelligent robots.

INDUSTRY OVERVIEW

Value chain of intelligent robot visual perception technology market, 2024

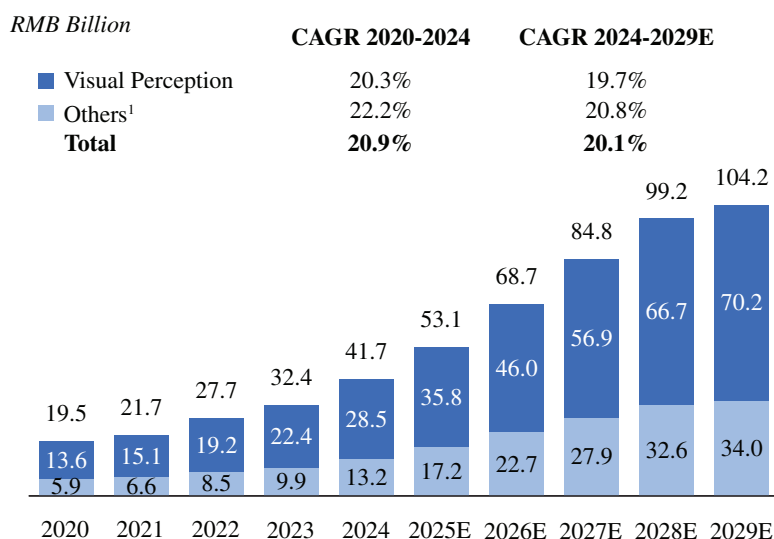


Notes:

- Key composition of main component and visual perception system only include the hardware.
- The analysis of main components' breakdown is based on its monetary proportion taking LiDAR and stereo vision camera as example. As the addressable market of the Company, the global intelligent robot visual perception technology market reached RMB28.5 billion in 2024; the breakdown of robotic application is calculated based on the sales value of robot types.

The global intelligent robot perception technology market is experiencing rapid expansion, with visual perception technology emerging as the most widely adopted and highest-penetration modality. According to CIC, the global intelligent robot visual perception technology market increased from RMB13.6 billion in 2020 to RMB28.5 billion in 2024, and is projected to continue growing to RMB70.2 billion in 2029, which is the main growth driver of the overall perception technology market.

Global intelligent robot perception technology market size, in terms of sales revenue, by perception categories, 2020-2029E



Note: Others mainly include auditory perception, tactile perception, force perception etc.

Source: IFR, Annual Reports, CIC

INDUSTRY OVERVIEW

Intelligent robot visual perception is technically demanding, requiring precise sensing, motion capture, target analysis, and real-time image processing to interpret dynamic environments with low latency and high reliability through tightly integrated algorithms and hardware. To fit compact robots, such as robot vacuums, the perception stack must be miniaturized, lightweight, thermally efficient, and low-power. Rapid advances in sensors, algorithm optimization, and multi-sensor fusion, together with fast downstream product cycles, drive continual iteration. By fusing inputs from cameras, LiDAR, and millimeter-wave radar and leveraging closed-loop data feedback, these systems deliver robust perception in complex conditions while remaining scalable across robot types and scenarios.

Drivers and Trends of Global Intelligent Robot Visual Perception Technology Market

- **Synergistic Hardware-Software Breakthroughs.** Advancements in AI technologies have significantly enhanced the dynamic resolution accuracy of intelligent robot visual perception systems in complex environments, thereby optimizing motion control and path planning. Technical optimizations in high-performance image sensors and LiDAR have met the demands for high efficiency and stable perception across diverse application scenarios.
- **Multi-Modal Perception Collaboration.** Visual perception technology in intelligent robots is evolving from single-modality sensing to multi-modal integration. By integrating visual data with auditory, tactile, and other sensory inputs, this approach significantly enhances perception accuracy, decision-making reliability, and operational flexibility in complex and dynamic environments.
- **AGI-Driven Evolution.** The continuous development of AGI is enabling intelligent robots to transition from performing routine tasks to understanding complex semantics and adapting to unstructured environments. Visual perception technology, as the starting point of the cognitive loop in intelligent robots, is evolving from basic data collection to advanced information integration and intelligent decision-making.
- **Heightened Robotic Intelligence Brings Higher Requirements.** As robots continue to advance in intelligence, visual perception is required to meet increasingly stringent demands for environmental understanding, object recognition and dynamic adaptability. For example, in household service robots such as robot vacuums, visual perception is increasingly essential for identifying furniture, cables, and small household items, distinguishing between floor types (such as carpet and hardwood), and dynamically adjusting cleaning routes to avoid entanglement or collisions.
- **Rapid and Large-Scale Application of Intelligent Robots across Various Fields.** In 2024, the shipment volume of intelligent robots exceeded 27.0 million units. With the widespread adoption of intelligent robots across manufacturing, logistics, medical, security, home and other sectors, end-market demand is rising rapidly, propelling the industry into a phase of large-scale deployment. The visual perception system has become the core support for the performance enhancement and application expansion of intelligent robots.

Competitive Landscape

The global intelligent robot visual perception technology market is highly competitive. According to CIC, the top five intelligent robot visual perception technology companies accounted for approximately 6.2% of the market share in 2024. Regarding application scenarios, household service robots impose more stringent requirements on visual perception technology concerning product innovation, usability, and cost-effectiveness. Consequently, leading visual perception technology providers for household service robots are typically established firms with extensive experience in this field, long-term partnerships, and substantial supply volumes. In professional and industrial scenarios, the requirements for robot

INDUSTRY OVERVIEW

perception technology are more varied. Therefore, companies that specialize in professional services and industrial robots typically offer a more comprehensive portfolio of perception products to address the varied demands of different application settings.

Based on the differences in roles and capabilities in the industrial chain, intelligent robot visual perception technology companies can be divided into two categories.

- **Intelligent robot visual perception solution providers:** These companies are positioned in the upstream of the intelligent robot industry chain, focusing on the development, production and sales of perception components and technologies such as sensors and visual algorithm modules, providing technical support to downstream intelligent robotics companies.
- **Intelligent robotics company focusing on visual perception technology:** These companies possess the capability to design and develop complete intelligent robots, while also externalizing their leading visual perception technologies to empower stakeholders across the industry ecosystem.

In terms of relevant revenue in 2024, the Company is the world's largest intelligent robotics company focusing on visual perception technology, according to CIC.

Company	Product Coverage ¹				Scenario Coverage ²			
	LiDAR	Cameras	Other Sensors	Algorithm Module	Household Service	Professional Service	Industrial Setting	Others
The Company	√	√	√	√	√	√	√	√
Company A	√	√			√	√	√	√
Company B	√	√	√			√	√	√
Company C	√		√		√	√	√	
Company D	√	√			√	√	√	√

Company	The Sales Revenue of Intelligent Robot Visual Perception Solutions, RMB Million, 2024	Market Share, %, 2024	Company Category	Capability of Complete Intelligent Robot ³
The Company	444	1.6%	Intelligent robotics company focusing on visual perception technology	✓
Company A ⁴	430	1.5%	Intelligent robot visual perception solution providers	
Company B ⁵	400	1.4%	Intelligent robot visual perception solution providers	
Company C ⁶	300	1.1%	Intelligent robot visual perception solution providers	
Company D ⁷	175	0.6%	Intelligent robotics company focusing on visual perception technology	✓

INDUSTRY OVERVIEW

Notes:

- (1) **Product Coverage:** Intelligent robot visual perception products include LiDAR, cameras, other sensors such as millimeter-wave radar and ultrasonic radar, and algorithm modules. Product coverage is assessed based on whether a company offers all four types.
- (2) **Scenario Coverage:** Application scenarios for intelligent robot visual perception products can be broadly divided into household service, professional service, industrial setting and others (including healthcare and education). Scenario coverage is evaluated based on whether a company's offerings span all of these use cases.
- (3) **Capability of Complete Intelligent Robot:** The capability of complete intelligent robot refers to the company has the ability to design and develop complete intelligent robots.
- (4) **Company A:** A privately owned company, founded in 2014 and headquartered in China, majored in intelligent robot visual perception technology, providing LiDAR to intelligent robotics companies.
- (5) **Company B:** A privately owned company, founded in 1946 and headquartered in Germany, majored in sensor-based applications in the industrial sector, providing a wide range of sensor products for intelligent robotics companies.
- (6) **Company C:** A privately owned company, founded in 2016 and headquartered in China, majored in intelligent robot visual perception technology, providing LiDAR to companies in the intelligent robot and automotive industry.
- (7) **Company D:** A Hong Kong Stock Exchange listed company, founded in 2014 and headquartered in China, majored in intelligent robot visual perception technology, providing LiDAR and cameras to companies in the intelligent robot and automotive industry.

Source: Annual reports, Expert Interview, CIC

Entry Barriers and Key Success Factors

- **Technical Barriers.** The development of visual perception technologies for intelligent robots is characterized by rapid iteration and high integration, encompassing multiple disciplines such as sensor hardware, AI algorithms, and embedded systems. The R&D cycle for such technologies is long, and the engineering implementation is challenging. Leading companies have established a robust competitive edge with their extensive patent portfolio, systematic R&D capabilities and advantages in R&D investment.
- **Product Comprehensiveness.** Visual perception systems for intelligent robots often need to construct system-level solutions covering perception, decision-making and control for multiple scenarios, involving long-term data accumulation, module adaptation and supply chain coordination. It is challenging for new entrants to build a product matrix with generality, stability, and in-depth scenario coverage in the short term.
- **Scenario Implementation Capability.** Visual perception technologies for intelligent robots heavily rely on verification and continuous optimization in complex and diverse real-world scenarios, with scenario implementation capability becoming a core competitive factor. Leading player have built strong system delivery and application implementation capabilities.
- **Economies of Scale.** Leading enterprises achieve full-chain cost control and resource integration through large-scale mass production. New entrants, limited by their initial investment scale, encounter sunk cost pressures in procurement and R&D, while also lacking supply chain bargaining power and production expertise.

Analysis of Major Components and Materials

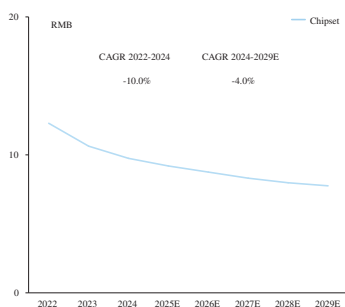
Visual perception technology solutions primarily consist of electronic components, optical components, and structural components. Among these, electronic components, including chips, serve as the core for signal processing, and their performance and cost hold significant importance within visual perception systems. The performance of optical

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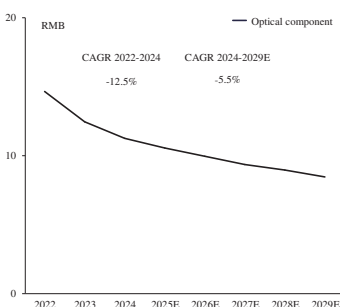
components dictates the quality of imaging. Structural components include enclosures, brackets, and connectors also take a critical role in ensuring the mechanical integrity and precise alignment of the entire system.

In recent years, the price of key components has shown a downward trend, primarily driven by the maturation and domestic production of the semiconductor industry, continuous advancements in and broader application of sensor and laser technologies, and cost control through automation and economies of scale. The following charts illustrate the average per-product cost of chipsets, optical components, and structural components.

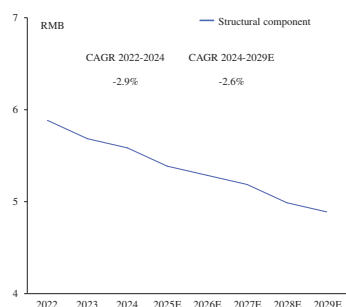
Average per-product cost of chipset



Average per-product cost of optical component



Average per-product cost of structural component



ANALYSIS OF GLOBAL INTELLIGENT ROBOT LAWN MOWER MARKET

Robot Lawn Mowers Undergone Continuous Evolution

In 2024, there are approximately 250.0 million residential yards worldwide, with households performing lawn mowing tasks 2-3 times per month on average. As a critical tool for yard maintenance, lawn mowing machinery constitutes an essential consumer demand for these households. Traditional push/ride-on mowers rely heavily on manual operation, while robot lawn mower autonomously complete grass-cutting tasks, liberating household members while enhancing mowing efficiency and trim quality.

The development of robot lawn mower can be traced through two key phases. The traditional robot lawn mower was invented in 1995 and achieved automation of mowing operations. However, early models adopted random collision navigation technology which suffered from high installation difficulty, low path-planning efficiency, prolonged operation times, and potential excessive wheel rolling damage to lawns. In 2021, the global lawn mowing machinery industry witnessed a new round of technological breakthroughs. The intelligent robot lawn mower, which integrates a multi-sensor fusion system and advanced intelligence algorithms, has acquired capabilities in autonomous mapping, global positioning, and autonomous path planning, significantly enhancing the efficiency of lawn mowing work.

Intelligent Robot Lawn Mowers Demonstrate Advanced Capabilities

The intelligent features of intelligent robot lawn mowers are first reflected in their ability to independently construct virtual maps and delineate the scope and boundaries of lawn mowing operations. Meanwhile, they can achieve precise positioning in unstructured outdoor scenes and identify complex elements such as terrain undulations, vegetation distribution,

INDUSTRY OVERVIEW

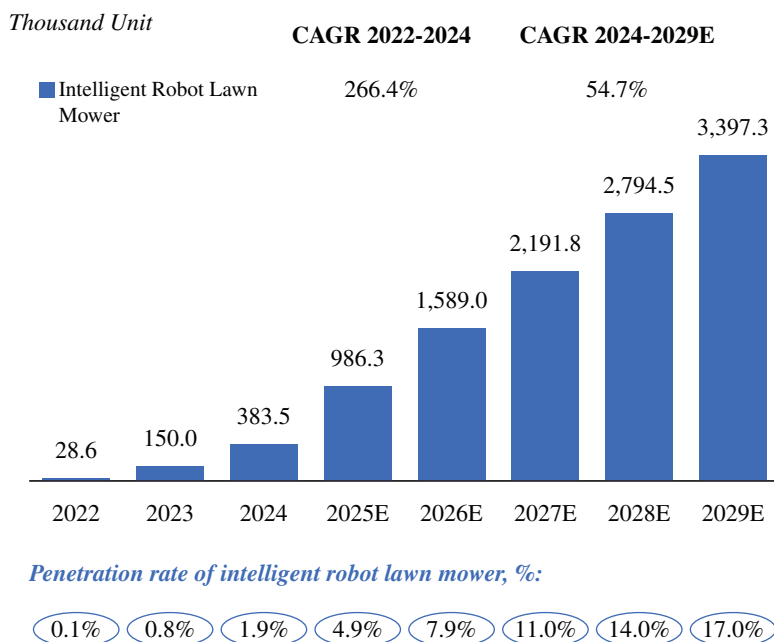
static obstacles and dynamic moving targets. With advanced perception capabilities and intelligent algorithms, these intelligent robot lawn mowers can continuously optimize their mowing paths and obstacle avoidance strategies, achieving fully autonomous and efficient lawn maintenance operations.

There are multidimensional technical challenges for intelligent robot lawn mowers. The primary challenge is to achieve precise positioning and navigation as well as efficient recognition and obstacle avoidance, to handle irregular lawns, diverse grass species, strong or weak lighting conditions, and multi-type obstacles, ensuring stable operation in complex environments. Additionally, capabilities such as waterproof and weather resistance, blade disc safety protection, collision protection, and battery endurance are also critical.

Intelligent Robot Lawn Mower Show Strong Growth Potential

In 2024, the global sales volume of intelligent robot lawn mower reached approximately 383.5 thousand units, with a market size of RMB6.1 billion, representing a penetration rate of less than 2.0% in the global lawn mower machinery market. The penetration rate is expected to reach 17% in 2029 and the market reaching approximately RMB47.6 billion in the same year. Based on the global annual demand for approximately 20.0 million lawn mowing machinery, the total addressable market (TAM) for intelligent robot lawn mower exceeds RMB300.0 billion when intelligent robot lawn mower completely replace traditional lawn mowing machinery and traditional robot lawn mower.

Global intelligent robot lawn mower market size, in terms of sales volume, 2022-2029E



Notes:

- (1) Intelligent robot lawn mower has seen product launches starting from 2021, with large-scale deliveries commencing in 2022.
- (2) The penetration rate of global intelligent robot lawn mower is defined as the sales volume of global intelligent robot lawn mower expressed as a percentage of global lawn mowing machinery demand.

Source: Expert Interview, CIC

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Key Drivers of Global Intelligent Robot Lawn Mower Market

- **Technological Advances Drive Increased Utility.** With the continuous evolution of key technologies such as computer vision, AI algorithms, positioning navigation and battery energy efficiency, intelligent robot lawn mower are rapidly achieving upgrades, including more accurate path planning, stronger endurance and smarter obstacle avoidance behaviors.
- **Market Demand Continues to Grow.** As the quality of residential life improves and yard greening becomes more popular, consumer demand for automation, precision, and high efficiency in lawn mowing operations continues to grow. Intelligent robot lawn mower are becoming a new trend in home gardening management. The EU's Directive NOISE 2000/14/EC imposes stringent noise level restrictions on outdoor equipment, including lawn and garden machinery. In addition, California Assembly Bill No. 1346 mandates a complete ban, effective from January 1, 2024, on the sale by retailers of newly manufactured gas-powered outdoor equipment, including lawn mowers. Under the guidance of such regulations, intelligent robot lawn mower is gaining popularity due to their environmental advantages such as low noise, zero emission and low energy consumption, accelerating the substitution of traditional fuel lawn mowing equipment.
- **High Value-added Scenario Expansion.** Intelligent robot lawn mower is expanding from home scenarios to specialized and large-scale applications. For instance, on golf courses, multiple units can operate collaboratively to manage large, undulating terrains with precision-cutting patterns, while in public parks, they can autonomously maintain lawns during off-peak hours to reduce disruption to visitors.
- **Increasing Significance of User-Friendly and Convenient Design.** The market is placing greater emphasis on usability and convenience in design. Manufacturers of intelligent robotic lawn mowers are advancing their products towards a “plug-and-play” model, which offers users a seamless and enjoyable experience, encouraging more people to invest in the products.

Competitive Landscape

The global intelligent robot lawn mower market is still in an early stage of development, with a competitive landscape that remains fluid and lacks a clearly defined structure. The top five players accounted for over 75% of total sales volume in 2024. While the market is currently dominated by a few established brands, technological innovation and increasing demand for smart, autonomous lawn care are creating room for emerging players to differentiate through more cutting-edge features. The following table presents the competitive landscape of global intelligent robot lawn mowers market, in terms of sales volume in 2024.

Company	The sales volume of intelligent robot lawn mowers, thousand units, 2024	Market Share, %, 2024
Company E ¹	~100	26.1%
Company F ²	~80	20.9%
Company G ³	~45	11.7%
Company H ⁴	~40	10.4%
Company I ⁵	~30	7.8%
Subtotal of Top 5 Players	~295	76.9%

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Notes:

1. Company E: A Shanghai Stock Exchange listed company, founded in 2012 and headquartered in Beijing, majored in shared electric scooters, electric bicycles, powered mobility vehicles, and personal robotics.
2. Company F: A privately owned company, founded in 2016 and headquartered in Shenzhen, majored in mobile robot chassis manufacturing and mobile robotic system solutions
3. Company G: A privately owned company, founded in 1994 and headquartered in Suzhou, majored in professional power tools, household power tools, garden tools, service robots, and related home products.
4. Company H: A Shanghai Stock Exchange listed company, founded in 1998 and headquartered in Suzhou, majored in service robots and high-end intelligent appliances.
5. Company I: A privately owned company, founded in 2017 and headquartered in Suzhou, majored in high-end consumer electronics and intelligent manufacturing.

The following table presents the comparative analysis on intelligent robot lawn mowers between different companies.

Comparative analysis on intelligent robot lawn mowers

Company ¹	Retail Selling Price, USD	Coverage area ² , M ²	Cutting Width ³ , mm	Cutting Height ⁴ , mm	Max. Slope ⁵ , %
The Company	~1,600 USD	3,600m ²	200mm	30-70mm	45%
Company E	~1,500 USD	960m ²	180mm	20-60mm	30%
Company F	~1,800 USD	~2,800m ²	320mm	30-100mm	45%
Company G	~2,000 USD	2,000m ²	220mm	30-70mm	45%
Company H	~2,000 USD	~2,500m ²	~330mm	~30--90mm	50%
Company I	~1,800 USD	600m ²	200mm	30--60mm	40%

Notes:

1. The latest model priced between USD 1,500 and USD 2,000 is selected for each peer to ensure meaningful comparison.
2. Coverage area refers to the maximum lawn size that the robotic mower is designed to manage, typically based on multiple charging cycles within regular operation.
3. Cutting width refers to the width of the lawn that the mower's blades can cut in a single pass. A larger value means the mower covers more ground at once, improving efficiency.
4. Cutting height refers to the adjustable range of grass height that the mower can trim. A larger value indicates the mower can cut the grass to a higher level, offering greater flexibility for different lawn types and user preferences.
5. Max. slope refers to the steepest gradient (in percentage) on which the robotic mower can operate safely. For reference, 100% slope = 45° angle.

Entry Barriers

- **Technological and Integration Barriers.** Intelligent robot lawn mowers require advanced perception capabilities and path planning algorithms to operate effectively in complex and irregular outdoor environments. High demands on visual perception and localization algorithms create a significant technical barrier. Furthermore, they require the integration of multiple sensor systems, cutting mechanisms, and control modules. Manufacturers must possess complete robot design capabilities, embedded system development expertise, and rigorous reliability testing procedures. Effective coordination between hardware and algorithms is critical to product performance.

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- **Manufacturing and Supply Chain Barriers.** As a multi-category, mass-market consumer product, intelligent robot lawn mowers demand high consistency in delivery and strict cost control. Companies with in-house production capabilities or access to mature OEM resources, robust supply chain networks, and established quality management systems are better positioned to compete effectively.
- **Certification and Compliance Barriers.** Stringent safety and environmental regulations apply to international markets, including battery safety, blade protection, and noise limits. For instance, the EU Battery Regulation mandates a 95% battery recycling rate for robot lawn mowers by 2027. Compliance with diverse national standards, covering privacy, noise, and environmental directives, requires substantial investment and extended certification timelines, creating a formidable entry barrier.
- **Channel and Marketing Barriers.** Channel barriers enable companies to secure core distribution networks and end-customer resources. The integrated online and offline marketing system enhances market awareness and customer loyalty, providing a solid foundation for the large-scale adoption and long-term commercial success of intelligent robot lawn mowers.

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Our business has been and will continue to be governed by relevant Chinese laws and regulations, which were promulgated and implemented by Chinese government authorities, including national and local laws and regulations. A summary of the main regulatory and legal requirements currently related to our Company's business is set out in this section. As relevant Chinese laws and regulations are evolving, it is difficult for us to predict the impact of such changes on our business and the additional compliance costs.

LAWS AND REGULATIONS ON OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On February 17, 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “**Trial Administrative Measures**”) and five supporting guidelines, which became effective on March 31, 2023. The Trial Administrative Measures have comprehensively reformed the regulatory system for the direct or indirect overseas securities offering and listing by PRC domestic companies into a filing system.

Pursuant to the Trial Administrative Measures, (i) PRC domestic companies that directly or indirectly issue securities outside China, or list and trade their securities overseas, shall file with the CSRC and submit relevant materials; Domestic companies that fail to complete the filing procedures or whose filing materials contain false records, misleading statements or material omissions may be subject to administrative penalties such as orders to rectify, warnings or fines. The controlling shareholders, actual controllers, directly responsible liable persons-in-charge and other directly responsible persons of PRC domestic companies who instigated the aforementioned illegal acts or enabled the aforementioned illegal acts by concealing relevant matters, may also be subject to administrative penalties such as warnings and fines; and (ii) Domestic joint stock limited companies shall submit a report to CSRC within three working days after submitting the application for overseas listing. Where PRC domestic companies fail to complete the filing procedures in accordance with the Trial Administrative Measures, the CSRC shall issue correction orders and warnings, and impose a fine of between RMB1 million and RMB10 million.

Furthermore, overseas offering and listing by domestic companies shall comply with applicable Chinese laws, administrative regulations and related provisions concerning foreign investment, state-owned asset management, industry regulation and outbound investment. Overseas offering and listing activities shall not disrupt domestic market order, harm national interests or public interests, or impair the lawful rights and interests of domestic investors.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within 3 working days after the occurrence of the changes.

To enhance confidentiality and archives administration of overseas securities issuance and listing by domestic companies, the CSRC, the Ministry of Finance of the People's Republic of China (the “MOF”), the National Administration of State Secrets Protection and the National Archives Administration of China have amended relevant regulations. On March 31,

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2023, the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (Announcement [2023] No. 44 of the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China) (the “**Confidentiality Provisions**”) came into effect. The Confidentiality Provisions apply to domestic joint stock companies that directly offer and list their securities overseas and domestic operating entities of companies that indirectly offer and list their securities overseas. The Confidentiality Provisions outline procedural requirements, clarify the confidentiality obligations and accounting archives management of enterprises, and are consistent with the Trial Administrative Measures. Under the Confidentiality Provisions, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the confidentiality administration department of the same level for filing. Domestic companies providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures according to the relevant provisions of the State.

REGULATIONS ON THE FULL CIRCULATION OF H SHARES

“**Full Circulation**” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of H-share companies, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the “**Guidelines for the Full Circulation**”), which were amended on August 10, 2023. The Guidelines for the Full Circulation allow certain qualified H-share companies and H-share companies intended for listing to apply to the CSRC for full circulation.

Pursuant to the Guidelines for the Full Circulation and the Trial Administrative Measures, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment, industry regulation and the regulations of the CSRC are met, and the corresponding H-share company may be entrusted to file with the CSRC for full circulation. Unlisted domestic joint stock companies may file with the CSRC for full circulation simultaneously when applying for their overseas initial public offering and listing.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Implementing Rules for the “Full Circulation” Program for H Shares (《H股「全流通」業務實施細則》) (the “**Implementing Rules**”). The businesses in relation to the “Full Circulation” program for H shares, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

In September 2024, Shenzhen Branch of China Securities Depository and Clearing Corporation Limited also promulgated the Guidelines for the “Full Circulation” Program for H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation

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Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) (the “Guidelines for the Program”) to specify the relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

REGULATIONS AND POLICIES RELATING TO THE MANUFACTURING INDUSTRY OF ELECTRONIC COMPONENTS AND SPECIALIZED ELECTRONIC MATERIALS AS WELL AS THE INTELLIGENT CONSUMER DEVICES

Regulations and Industry Development Policies Relating to the Manufacturing Industry of Electronic Components and Specialized Electronic Materials

The National Development and Reform Commission (the “NDRC”) released the Catalog for Guiding Industrial Structure Adjustment (2024 Version)(《產業結構調整指導目錄(2024年本)》) on December 27, 2023, which became effective from February 1, 2024. The catalog lists products such as robots and integrated systems, sensors, etc. as encouraged development products, aiming to continuously enhance the core competitiveness of the manufacturing industry, promote quality improvement and brand building, and continuously drive the industry to leap toward mid-to-high-end levels, with intelligent manufacturing as the primary focus to advance industrial technological transformation and optimization and upgrading, accelerate the promotion and application of new intelligent manufacturing technologies, and facilitate the shift in the industrial model of the manufacturing sector.

On January 3, 2023, the MIIT, the Ministry of Education of the People’s Republic of China, the Ministry of Science and Technology, the People’s Bank of China, the National Administration of Financial Regulation (formerly the China Banking and Insurance Regulatory Commission), and the National Energy Administration jointly issued the Guiding Opinions on Promoting the Development of the Energy Electronics Industry (《關於推動能源電子產業發展的指導意見》), which aims to promote intelligent manufacturing as well as operation and maintenance management in the energy electronics industry, enhance the supply capacity of key information technology products in energy electronics, including miniaturized, low-power, integrated and highly sensitive sensing components, high-end sensors with multi-dimensional data collection capabilities, new MEMS sensors and intelligent sensors, and miniaturized and intelligent electroacoustic devices and image sensors.

Regulations and Industry Development Policies Relating to the Manufacturing Industry of Intelligent Consumer Devices

On March 12, 2021, the National People’s Congress issued the Outline of the 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and Long-Range Objectives Through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), pursuant to which, the State actively promotes the optimization and upgrading of the manufacturing industry, supports the in-depth implementation of intelligent manufacturing and green manufacturing projects, develops new models of service-oriented manufacturing, and promotes the high-end, intelligent and green development of the manufacturing industry, and cultivate the innovative development of advanced manufacturing clusters including robots.

On December 10, 2019, the State Administration for Market Regulation and the Standardization Administration of China issued Functional Safety Assessment of Service Robots (《服務機器人功能安全評估》) (GB/T 38260-2019) (implemented on July 1, 2020). This standard specifies the functional safety assessment requirements and procedures for service robot control systems, hazard identification and risk assessment, functional safety management, safety-related control function standardization requirements, safety-related

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control system requirements, safety-related control system design and integration, as well as its inspection and validation. It also covers the characteristics of risks directly caused by service robots themselves or a group of robots working collaboratively. At the same time, this standard establishes functional safety content related to reducing the risks of personal injury or property damage caused by direct proximity to or direct use of service robots. It applies to the functional safety of service-robot-related control systems used individually and/or in combination, and to the functional safety assessment of service robot groups working collaboratively.

Regulations and Industry Development Policies Relating to Artificial Intelligence Security Risk Control

On September 9, 2024, the National Technical Committee on Cybersecurity of SAC (全國網絡安全標準化技術委員會) issued the AI Safety Governance Framework (《人工智能安全治理框架》). This framework provides that to effectively mitigate security risks across the entire AI system lifecycle including spanning design, R&D, training, testing, deployment, usage, and maintenance phases, all market participants such as model algorithm developers, service providers, and system users must implement appropriate technical measures covering training data, computing infrastructure, model algorithms, products, services, application scenarios and other applicable key aspects. Meanwhile, the framework outlines a comprehensive governance system requiring collaborative involvement of diverse entities including R&D institutions, service providers, end-users, government agencies, industry associations, civil society organizations and etc.

REGULATIONS ON OVERSEAS INVESTMENT

The Administrative Measures for Overseas Investment (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014, and became effective on October 6, 2014. As defined by the Administrative Measures for Overseas Investment, overseas investment means that the enterprises legally incorporated in the PRC own the non-financial enterprises or obtain the ownership, control and operation management rights of the existing non-financial enterprises in foreign countries through incorporation, merger and acquisition and other means. If the overseas investments involve sensitive countries and regions or sensitive industries, they shall be subject to the approval of competent authorities. Other overseas investments shall be subject to filing administration. Local enterprises shall be filed with the provincial commercial administration authorities where they are located. The qualified enterprises will be put into record and granted with Overseas Investment Certificate for Enterprise by the relevant provincial commercial administration authorities.

The Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017, and became effective on March 1, 2018. As defined by the measures, overseas investment means any investment activity in which a domestic enterprise of the PRC obtains overseas ownership, control, operation and management rights and other relevant interests directly or through its controlled overseas enterprise by way of contributing asset, interest or providing financing and guarantee. To conduct overseas investment requires going through certain procedures, such as approval and record-filing of overseas investment projects, reporting relevant materials and cooperating with supervision and inspection, etc. The aforesaid approval procedure applies to investment to sensitive projects carried out by a domestic enterprise directly or through any overseas enterprises under its control. The record-filing procedure applies to investment to non-sensitive projects conducted directly by a domestic enterprise, which involve direct investment of assets, equity, or the provision of financing or guarantee. On January 31, 2018, the NDRC issued the Catalog of Sensitive Overseas Investment Industry (2018 Version) (《境外投資敏感行業目錄(2018年版)》), which became effective from March 1, 2018, detailing the current sensitive industries.

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LAWS AND REGULATIONS ON IMPORT AND EXPORT MANAGEMENT

Foreign Trade

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (“**Foreign Trade Law**”) promulgated by the SCNPC on May 12, 1994, and last amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies unless otherwise provided by laws and administrative regulations. Before December 30, 2022, according to the pre-amendment Foreign Trade Law, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, the customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

Pursuant to the Regulations of the People’s Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) (the “**Regulation on the Administration of the Import and Export of Goods**”) promulgated by the State Council on December 10, 2001 and became effective on January 1, 2002, amended on March 10, 2024, and became effective on May 1, 2024, enterprises engaged in the import of goods to the customs territory of the People’s Republic of China or export of goods from the customs territory of the People’s Republic of China, shall comply with the Regulation on the Administration of the Import and Export of Goods. China implements a unified management system for the import and export of goods, allows the free import and export of goods and maintains fairness and order in the import and export of goods according to the laws. Unless it is clearly provided by laws or administrative regulations to forbid or restrict the import or export of goods, no entity or individual may establish or maintain prohibitive or restrictive measures over the import or export of goods.

Customs Law

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987, last amended on April 29, 2021, and became effective on the same date, the customs of the PRC is the State’s entry and exit customs supervision and administration authority.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and became effective on January 1, 2022, customs declaration entities refer to the consignees or consignors of imported or exported goods, or customs declaration enterprises that have been filed with the customs. Consignees or consignors of imported or exported goods, or customs declaration enterprises apply for filing shall obtain the qualification of market entities.

LAWS AND REGULATIONS ON PRODUCT QUALITY AND INFRINGEMENT LIABILITY

Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, and amended on July 8, 2000, August 27, 2009, and December 29, 2018, respectively, the market supervision and administration department of the State Council shall be responsible for the supervision of product quality across the country. Manufacturers and sellers shall establish an internal product quality

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management system and strictly implement post-quality specifications. Relevant departments of the State Council shall be responsible for the supervision of product quality within their respective scope of duties. The market supervision and administration departments at the county level and above shall be responsible for the supervision of product quality within their own administrative jurisdictions. The relevant departments of the local people's governments at the county level and above shall be responsible for the supervision of product quality within their respective scope of duties.

Infringement Liability

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the National People's Congress on May 28, 2020, and came into effect on January 1, 2021, where a defect is discovered in a product after it has been put into circulation, the producer or seller shall promptly take remedial measures such as ceasing sales, issuing warnings and initiating recalls. Where damage is caused by defects in the product, the infringed party may request compensation from either the producer or the seller of the product. Where the defect of the product is caused by the fault of the seller, the producer shall have the right to seek recourse from the seller after making compensation. In cases where a producer or seller knowingly produces or sells defective products or fails to take effective remedial measures in a timely manner, thereby causing death or serious damage to the health of others, the infringed party shall have the right to claim corresponding punitive damages in addition to compensation for losses.

LAWS AND REGULATIONS ON CYBERSECURITY, PERSONAL INFORMATION PROTECTION AND DATA SECURITY

Regulations on Cybersecurity

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which took into effect on June 1, 2017. The Cybersecurity Law requires a network operator, including Internet information services providers among others, to adopt technical measures and other necessary measures in accordance with applicable laws and regulations as well as compulsory national standards to safeguard the safety and stability of network operations, effectively respond to network security incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The Cybersecurity Law has also specified the responsibility for personal information protection. Any violation of the provisions and requirements under the Cybersecurity Law may subject a network operator to warnings, confiscation of illegal gains, fines, revocation of business permits or licenses, close-down of websites or even criminal liabilities.

On July 30, 2021, the State Council promulgated the Regulations for Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the “**Security Protection Regulations**”) which came into effect on September 1, 2021. Pursuant to the Security Protection Regulations, critical information infrastructure refers to important network infrastructure and information systems in public telecommunications, information services, energy sources, transportation and other critical industries and domains, in which any destruction or data leakage will have a severe impact on national security, the nation's welfare, the people's living and public interests. The Security Protection Regulations provide a series of specific cybersecurity requirements for the responsibilities and obligations of the critical

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information infrastructure operator (the “CIIO”). Further, according to Security Protection Regulations, the competent authorities and regulatory departments of critical industries and sectors shall organize the identification of critical information infrastructure within their respective industries/sectors under the identification rules, promptly notify the operators of such identification results, and report to the Ministry of Public Security under the State Council.

On December 28, 2021, 13 ministries and commissions including the Cyberspace Administration of China (the “CAC”) issued the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Revised Cybersecurity Review Measures**”), which came into effect on February 15, 2022. According to the Revised Cybersecurity Review Measures, CIIO purchasing network products and services, network platform operators possessing personal information of more than 1 million users that seek for listing in a foreign country or the network platform operators which engage in data processing activities that affect or may affect national security may be obliged to apply for a cybersecurity review by the Cybersecurity Review Office. Furthermore, on April 27, 2025, the Company had a telephone consultation with the China Cybersecurity Review Certification and Market Surveillance Big Data Center (the Cybersecurity Review Office is established within the Cyberspace Administration of China, with specific operations delegated to the China Cybersecurity Review Certification and Market Surveillance Big Data Center) regarding whether its proposed listing in Hong Kong would trigger a cybersecurity review. According to the Center’s response, the Company is not required to actively declare a cybersecurity review for its listing in Hong Kong. As the Revised Cybersecurity Review Measures do not further define “affect or may affect national security”, based on the definition of national security under the National Security Law of the PRC (《中華人民共和國國家安全法》) and the seven key national security risk factors listed in Article 10 of the Revised Cybersecurity Review Measures that should be prioritized for assessment in cybersecurity reviews, the Company may assess whether it is involved in any activities that may pose national security risks from the following five aspects: (1) Whether it has implemented comprehensive data collection, storage and protection procedures; (2) Whether any data leakage or violations of data protection and privacy laws and regulations have occurred that materially and adversely affected its business operations; (3) Whether it has been subject to any significant investigations, inquiries or sanctions by the CAC, the CSRC or any other relevant regulatory authority relating to cybersecurity, data privacy or cybersecurity review; (4) Whether it has been notified by any authority of being designated as a CIIO; (5) Whether the Company will come under the control of any foreign government after the listing. Given the Company’s management of data processing activities and the fact that it has neither been designated as a CIIO by competent authorities nor deemed by regulators to have data processing activities that affect or may affect national security, the Company is not required to declare a cybersecurity review.

Regulations on Personal Information Protection and Data Security

On June 10, 2021, the SCNPC issued the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which came into effect on September 1, 2021. The Data Security Law stipulates to establishment of a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The “important data” determined by the competent government authorities should be strengthened in protection. The data relating to safeguarding national security and interests and the performance of international obligations shall be subject to export control of China. In addition, the Data Security Law provides that important data processors shall appoint a data security officer and establish a management department to take

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charge of data security protection, and such processors shall evaluate the risk of their data activities periodically and file assessment reports with the relevant competent authorities. Any violation of the Data Security Law may subject relevant entities or individuals to orders to rectify, warnings, fines, suspension of business, revocation of relevant business permits or licenses or even criminal liabilities.

On December 8, 2022, the MIIT issued the Measures for Data Security Administration in the Industry and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the “**Measures for Data Security Administration**”), which took effect on January 1, 2023. In accordance with the Measures for Data Security Administration, data processors in the industrial and information technology fields shall bear the primary responsibility for the security of data processing activities, implement hierarchical protection measures for all types of data, and implement the protection with the highest level of requirement if different levels of data are processed at the same time and it is difficult to take separate protection measures to ensure that the data remains in an effectively protected and legally utilized state continuously. The Measures for Data Security Administration also impose certain obligations on data processors in the industrial and information technology fields in relation to, among others, the implementation of data security systems, data collection, data storage, data usage, data transmission, provision of data, publicity of data, data destruction, and emergency response, etc.

On September 24, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Regulations**”), which came into effect on January 1, 2025. The Cyber Data Regulations have further clarified the data security responsibilities of cyber data processors.

Under the Civil Code, a natural person’s personal information shall be protected by law. Any organization or individual shall collect the personal information of others in accordance with the law and ensure the security of such information, shall not illegally collect, use, process or transmit personal information of others, nor illegally buy or sell, provide or make personal information public of others. Natural person’s personal information refers to various information which is recorded in electronic or any other form and used alone or in combination with other information to recognize the identity of a specific natural person, including the name, date of birth, ID number and personal biological identification information of the natural person. The processing of personal information shall be subject to the principle of legitimacy, rightfulness and necessity, with no excessive processing, and shall comply with the following conditions: (i) obtain the consent of such natural person or his/her guardian, except as otherwise provided by laws and administrative regulations; (ii) disclose the rules of processing information; (iii) clearly express the purposes, means and scope of processing information; and (iv) not in violation of the provisions of laws, administrative regulations and the agreement between the two parties.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which became effective as of November 1, 2021. The Personal Information Protection Law stipulates that personal information processors process personal information shall have a legal basis, including: (i) where the consent of the individual concerned is obtained; (ii) where it is necessary for the conclusion or performance of a contract to which the individual is a party, or for the implementation of human resources management in accordance with the labor rules and regulations established by law and the collective contract signed in accordance with the law; (iii) where it is necessary for the performance of legal duties or legal obligations; (iv) where it is necessary for the response to public health emergencies, or for the protection of the life, health and property safety of natural persons in an emergency; (v) where such acts as news reporting, public opinion monitoring and others are implemented for the public interest, and the processing of personal information is within a reasonable range; (vi) where the personal

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information disclosed by the individual concerned or other personal information that has been legally disclosed is processed within a reasonable scope in accordance with the provisions of Personal Information Protection Law; or (vii) other circumstances specified in laws and administrative regulations. No organization or individual may illegally collect, use, process or transmit personal information of others, illegally buy or sell, provide or make personal information public of others, or engage in the processing of personal information that endangers the national security or public interests. Any violation of the provisions or requirements of the Personal Information Protection Law may subject the personal information processors to orders to rectify, warnings, fines, suspension of business, revocation of business licenses or even criminal liabilities in serious cases.

The Cyber Data Regulations have reiterated and further clarified the requirements for the protection of personal information and important data, requiring data processors to process personal information in a legal and compliant manner. The Cyber Data Regulations also put forward corresponding requirements for cross-border transmission of personal information and important data, as well as data processing activities carried out by network platform service providers.

On July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfer (《數據出境安全評估辦法》), which became effective on September 1, 2022, clearly stipulating the regulations and procedures for conducting outbound data transfer security assessment for important data and personal information collected and generated within the territory of China. On February 22, 2023, the CAC promulgated the Measures on the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which became effective on June 1, 2023, clearly stipulating that personal information processors shall meet certain conditions when conducting the outbound transfer of personal information by entering into standard contracts, and shall file the signed standard contracts with the local CAC at the provincial level. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the “**Promoting Provisions**”), further adjusting the scope, exemption conditions and procedures applicable to outbound data transfer security assessment and the filing mechanism of standard contracts for the outbound transfer of personal information. Until then, the regulatory mechanism for outbound data transfer in China has basically taken shape. According to the aforementioned measures and regulations, where a data processor outbound transfers data, the data processor shall apply to the CAC for outbound data transfer security assessment through the local CAC at the provincial level when any of the following conditions are met: (1) a CHIO provides personal information or important data overseas; (2) a data processor other than a CHIO provides important data overseas, or has provided personal information of more than 1 million people (excluding sensitive personal information) or more than 10,000 sensitive personal information overseas since January 1 of the current year, unless the exemption circumstances stipulated in Articles 3 to 6 of the Promoting Provisions are met.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, amended on February 22, 1993, October 27, 2001, August 30, 2013, and April 23, 2019, respectively and became effective on November 1, 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 August 3, 2002, amended on April 29, 2014, and became effective on May 1, 2014, the Trademark Office of the State Administration for Industry and Commerce Authority under the State Council is responsible for the registration and administration of trademarks in China. Registered trademarks are valid for ten years from the date the registration is approved. When it is necessary to continue using a registered trademark upon its expiration of the validity period, the trademark registrant shall apply to

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renew a registration within twelve months before the expiration under the regulations. If such an application cannot be filed within that period, a grace period of six additional months may be granted. The validity period for each renewal of registration is ten years. Where an applicant for trademark registration files an application for trademark registration in China within six months of filing the first application for registering the same trademark for the same goods in a foreign country, the applicant may have priority under any agreement concluded by and between the PRC and the foreign country concerned, or with the international treaty to which both countries are parties, or based on the principle of reciprocity. If an applicant uses a trademark for the first time on goods displayed at an international exhibition organized or recognized by the Chinese Government, the applicant may be entitled to priority provided that it files an application to register the trademark within six months from the date of the exhibition. The trademark registrant may, by concluding a trademark licensing contract, authorize other persons to use the registered trademark. The licensor shall supervise the quality of the goods on which the licensee uses the licensor's registered trademark, and the licensee shall guarantee the quality of the goods on which the registered trademark is used.

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and revised on September 4, 1992, August 25, 2000, December 27, 2008, and October 17, 2020, respectively and taking effective on June 1, 2021, and the Implementing Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, revised on December 28, 2002, January 9, 2010, and December 11, 2023, respectively, and taking effect on January 20, 2024, the patent administration department under the State Council is responsible for the patent work throughout the country, receives and examines patent applications and grants patent rights for in accordance with law. The Patent Law of the PRC and its implementing regulations stipulate three types of patents consisting of “invention”, “utility model” and “design.” The duration of patent rights for inventions shall be twenty years, the duration of patent rights for utility models shall be ten years, and the duration of patent rights for design shall be fifteen years, from the date of filing. Meanwhile, for the design patent right that was applied before June 1, 2021, the duration shall be ten years under the Patent Law of the PRC prior to the 2021 amendment.

Copyright and Software Registration

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, revised on October 27, 2001, February 26, 2010, and November 11, 2020, respectively, and taking effect on June 1, 2021, Chinese citizens, legal entities or other organisations shall, in accordance with this law, enjoy the copyright in their works, whether published or not. The term “works” includes written works; oral works; musical, dramatic, Chinese folk art, choreographic and acrobatic works; works of fine arts and architecture; photographic works; audiovisual works; graphic works such as drawings of engineering designs and product designs, maps and sketches, and model works; computer software; and other intellectual achievements that meet the characteristics of the works.

Pursuant to the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, and effective on September 15, 2002, and last amended on January 30, 2013, and taking into effect on March 1, 2013, copyright holders enjoy a variety of personal and property rights, including but not limited to the right of publication, the right of authorship, the right of reproduction, and the right of communication of information on networks.

Pursuant to the Regulations on Computers Software Protection (《計算機軟件保護條例》), which were promulgated by the State Council on June 4, 1991, and amended in 2001, 2011 and 2013, respectively, Chinese citizens, legal entities or other organizations are entitled

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to the copyright in the software which they have developed, whether published or not. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. A registration certificate issued by the software registration institution is preliminary proof of the registered items.

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 February 20, 2002, was included in and amended by the Regulations on Computer Software Protection as amended by the State Council on January 30, 2013, and taking into effect on March 1, 2013. The National Copyright Administration takes charge of the administration of software copyright registration nationwide and accredits the China Copyright Protection Center as the software registration agency.

Domain Name

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017, and effective on November 1, 2017, the MIIT supervises and administers domain services nationwide. The domain name registration shall be conducted by the domain name registration service institutions established under relevant regulations. The applicant will become the holder of such domain names upon the completion of the registration.

Trade Secrets

Pursuant to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC in September 1993, as amended on November 4, 2017, and April 23, 2019, respectively, the term “trade secrets” refers to technical and business information that is unknown to the public, has commercial value, and is maintained as a secret by the right holders.

Under the Anti-Unfair Competition Law of the PRC, business operators are prohibited from infringing others’ trade secret. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties.

LAWS AND REGULATIONS ON PROPERTY LEASING

Pursuant to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019, and effective on January 1, 2020, for the purpose of leasing of houses, the lessor and lessee shall sign a written lease contract, prescribing such provisions as the lease term, use of the house, lease price and repair liabilities, and other rights and obligations of both parties; and go through registration procedures for record with the real estate administration department. Pursuant to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010, and came into effect on February 1, 2011, if the above-mentioned registration is not completed, the competent construction (real estate) department shall order to make corrections within a prescribed time limit, and If such corrections are not made within the prescribed time limit, fines may be imposed on both the lessor and the lessee. Pursuant to the Civil Code, the lessee may sublease the leased premises to a third party with the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. Furthermore, if the ownership of the leased property changes during the lease period, it shall not affect the validity of the lease contract.

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LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (last amended on April 24, 2014, and effective on January 1, 2015) sets out the powers and responsibilities of various environmental protection regulatory agencies. The Environmental Protection Department is authorized to issue national standards for environmental quality and emissions and supervise the environmental protection plans in China. Meanwhile, local environmental protection departments may formulate local standards that are stricter than national standards. In such cases, relevant enterprises must comply with both national and local standards simultaneously.

Pursuant to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (the “**Construction Projects Environmental Protection Rules**”) promulgated by the State Council on November 29, 1998, and amended on July 16, 2017, and other relevant environmental laws and regulations, construction enterprises shall, before the commencement of construction, prepare or submit an environmental impact report, environmental impact statement, or environmental impact registration form with relevant environmental protection administrative authority for approval or filing. Construction enterprises may entrust a technical entity to conduct an environmental impact assessment of their construction projects and prepare environmental impact reports and environmental impact statements on construction projects. If a construction entity has the technical capability of environmental impact assessment, it may carry out the above activities itself.

Pursuant to the Construction Projects Environmental Protection Rules, upon the completion of a construction project for which an environmental impact report or environmental impact statement is formulated, the construction entity shall conduct an acceptance inspection of the environmental protection facilities under the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, formulate the acceptance inspection report, and announce the acceptance inspection report according to the law except for circumstances where there is a need to keep confidentiality under the provisions of the State. For a construction project for which an environmental impact report or environmental impact statement is formulated, where its supporting environmental protection facilities have not undergone acceptance inspection or do not pass acceptance inspection, such construction project shall not be put into production or use.

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) was promulgated and implemented by the former Ministry of Environmental Protection (now the Ministry of Ecology and Environment) on November 20, 2017. The Measures regulate the procedures and standards for independent environmental protection acceptance by construction entities upon the completion of construction projects.

LAWS AND REGULATION ON PRODUCTION SAFETY

In accordance with relevant construction safety laws and regulations, including the Production Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Production Safety Law**”), which came into effect on September 1, 2021, production and operation entities shall formulate production safety goals and measures, improve the working environment and conditions of workers in a planned and gradual manner, establish a production safety protection system, and implement the post responsibility system for production safety. In addition, production and operation entities shall arrange for production safety training and provide employees with personal protective equipment that meets national or industry standards.

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Pursuant to the Production Safety Law, and the Measures for the Supervision and Administration of “Three Simultaneities” for Safety Facilities of Construction Projects (《建設項目安全設施「三同時」監督管理辦法》) effective on May 1, 2015, production and operation entities are responsible for the construction of the safety facilities of construction projects. The safety facilities of a construction project must be designed, constructed and put into production and use simultaneously with the main part of the project. Investment in safety facilities shall be brought into the budgetary estimate of the whole construction project.

LAWS AND REGULATION ON FIRE PROTECTION

Fire Prevention Design Review and Final Acceptance

Pursuant to the Interim Provisions on the Administration of Review and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which was effective on October 30, 2023, the fire prevention design review system is applicable to the special construction projects, such as cinemas and theatres with a total floor area exceeding 2,500 square meters, reading rooms of public libraries, commercial indoor fitness and leisure venues, outpatient buildings of hospitals, teaching buildings, libraries and canteens of universities, production and processing workshops of labor-intensive enterprises, temples, churches or other applicable projects according to the law and regulation. For completed special construction projects undergoing completion acceptance procedures, the construction entity shall apply for fire prevention completion acceptance with the competent review and acceptance of the fire prevention design authority. Also, the construction entity of special construction projects shall apply for fire protection design review with the competent authority responsible for fire safety design review and inspection. Projects shall not be put under construction without or fail to pass the fire prevention design review. For the classified management of other construction projects, a filing and sampling inspection system shall be implemented. Any other construction project that fails to pass the random inspection in accordance with the law shall be stopped from use.

Pursuant to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) which was last amended on April 29, 2021, construction projects that shall be subject to fire prevention acceptance according to the law shall not be put into use without fire prevention acceptance or failing to pass the fire prevention acceptance. Any other construction project which fails to pass the random inspection in accordance with the law shall be stopped from use. If the provisions of this law are violated and any of the following acts are committed, the competent housing and urban-rural development authority and the fire rescue agency may, according to their respective functions and powers, order to suspend construction, use or production and operation, and impose a fine of ranging from RMB30,000 to RMB300,000: the construction projects which are required by law to be subject to the fire prevention design review are constructed without being reviewed according to the law or failing to pass the review; the construction projects which are required by law to be subject to the fire prevention acceptance are put into use without fire prevention acceptance or failing to pass the fire prevention acceptance; other construction projects which fail to pass the random inspection in accordance with the law do not cease to be used.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which was last amended in 2008, as well as various regulations promulgated by the SAFE and other relevant Chinese government authorities, RMB is freely convertible under current accounts, including trade-related payments and receipts, interest and dividends. For capital accounts such as direct equity investment, loans, and investment

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repatriation, prior approval from SAFE or its provincial branches is still required before converting RMB into foreign currency and remitting funds overseas, unless explicitly exempted by laws or regulations.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54) issued on December 26, 2014, where a joint stock limited company incorporated in the PRC (“**Domestic Company**”) issues shares overseas and is publicly listed and outstanding on overseas exchanges upon the approval by the CSRC, it shall, within 15 business days after the date of the end of its overseas listing issuance, register the overseas listing with the SAFE branch at the place of its establishment, and present its certificate of overseas listing to open a “special account for overseas listing of a Domestic Company” at a local bank to handle the exchange, remittance and transfer of funds for the business concerned. The proceeds from an overseas listing of a Domestic Company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus or offering documents for corporate bonds, shareholders’ circulars, resolutions of the board of directors or shareholders meetings and other publicly disclosed documents.

Meantime, where a domestic shareholder of a Domestic Company intends to increase or decrease his/her overseas listed shares according to relevant regulations upon the overseas listing of the Domestic Company, the domestic shareholder shall register with the SAFE branch at the place of domicile of such domestic shareholder for his/her shareholdings within 20 working days before such increase of shares and present its certificate of overseas shareholding to open a “special account for overseas shareholding of domestic shareholders” at a local bank to handle the exchange, remittance and transfer of funds for the business concerned.

LAWS AND REGULATIONS ON LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, last amended on December 29, 2018, and came into effect on the same day, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012, and effective from July 1, 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and effective on the same day, written labor contracts shall be signed between employers and employees. The wages paid by employers to employees shall not be lower than the local minimum wage standard. Employers shall establish occupational safety and health mechanisms, strictly abide by national standards, and provide relevant education for employees. Employees shall work in a safe and hygienic environment.

Pursuant to the provisions of the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Regulations on Work-related Injury Insurance (《工傷保險條例》), the Regulations on Unemployment Insurance (《失業保險條例》), the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) and other laws, regulations and rule, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance. The relevant funds should be paid to the local administrative department. Employers who fail to promptly pay social insurance contributions in full amount shall be ordered to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the amount in arrears. Pursuant to the Regulations on

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the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, amended and implemented on March 24, 2002, and March 24, 2019, funds contributed by employees themselves and those paid by employers for their employees shall belong to the employees. Employers shall register for housing provident fund contributions with the housing provident fund management center. Upon verification by the housing provident fund management center, a special housing provident fund account shall be opened with the entrusted bank. Where an employer fails to register for housing provident fund contributions or open housing provident fund accounts for its employees, such employer shall be ordered by the housing provident fund administration center to complete the procedures within a prescribed time limit; where failing to do so by the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. If an employer fails to make or underpays the housing provident fund contributions, it will be ordered by the housing provident fund administration center to make the payment within the prescribed time limit; where payment is not made within the stipulated period, the center may apply to the People's Court for compulsory enforcement.

LAWS AND REGULATIONS ON TAXATION

Enterprise Income Tax Law

Pursuant to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”), which came into effect on January 1, 2008, and was last amended and implemented on December 29, 2018, a uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or establishments in the PRC to the extent that such incomes are derived from the PRC, or such incomes are obtained outside the PRC but have an actual connection with the set-up institutions or establishments. Enterprises that are eligible to become “High and New Technology Enterprises” strongly supported by the State can enjoy a preferential tax rate of 15%. The certification for “High and New Technology Enterprises” is valid for three years.

Value-added Tax

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) which was last amended on November 19, 2017, and came into effect on the same day, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) which was issued on December 25, 1993, amended on October 28, 2011, and came into effect on November 1, 2011, entities and individuals engaged in the sale of goods or provision of processing, repair and replacement services and import of goods within the territory of the PRC are subject to value-added tax (“**VAT**”).

Taxation on Dividends

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 last amended by the SCNPC on August 31, 2018 and came into effect on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was last amended by the State Council on December 18, 2018 and came into effect on January 1, 2019 (hereinafter collectively referred to as the “**IIT Law**”), 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 an individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

REGULATORY OVERVIEW

Pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》), which was issued by the MOF and the SAT on May 13, 1994, and came into effect on the same date, the incomes gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempt from individual income tax for the time being.

Pursuant to the IIT Law, the enterprise income tax rate is 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

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

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the “Arrangement”) signed on August 21, 2006, the PRC government may levy taxes on the dividends paid by a PRC resident enterprise to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC resident enterprise. Unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC resident enterprise, then such tax shall not exceed 5% of the dividends payable by the PRC resident enterprise. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, adds criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history dates back to November 2017 when the predecessor of our Company, namely Shenzhen LDRobot was founded by Mr. Zhou and Mr. Guo. For details of the biographies of Mr. Zhou and Mr. Guo, see “Directors and Senior Management.” In June 2022, our Company was converted into a joint stock company with limited liability. Since our establishment, we have created an intelligent robotics infrastructure focusing on visual perception and empowering various robotics application scenarios, offering visual perception products and complete intelligent robot products in popular application scenarios.

OUR KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Milestone
2017	<ul style="list-style-type: none">• Our Company was established in Shenzhen.
2018	<ul style="list-style-type: none">• We launched our first-generation of LiDAR and SLAM algorithms.
2019	<ul style="list-style-type: none">• We launched the high-precision solid state linear LiDAR.
2020	<ul style="list-style-type: none">• We launched the world’s first consumer-grade Mini DTOF LiDAR.
2021	<ul style="list-style-type: none">• We launched the perception solution based on point laser sensors.• We established our first production plant in Shenzhen and our technical support center in Suzhou.
2022	<ul style="list-style-type: none">• Our Company was converted into a joint stock company with limited liability.• We were recognized as a National Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業) by MIIT.
2023	<ul style="list-style-type: none">• We launched our first triangular DTOF LiDAR in the industry.• The cumulative shipments of our sensors and algorithm modules exceeded 10 million units.
2024	<ul style="list-style-type: none">• The shipments volume of our DTOF LiDAR ranked first in the industry.• We launched our QuadVision sensors module.• We launched and mass-produced Pion, our first-generation of robot lawn mower.• We were named Single Champion Enterprise in Manufacturing of Guangdong Province by Guangdong Provincial Department of Industry and Information Technology (廣東省工業和信息化廳).
2025	<ul style="list-style-type: none">• Our second-generation of robot lawn mowers was put into mass production.• We were recognized as a Specialized and Innovative Key “Little Giant” Enterprise (專精特新重點“小巨人”企業) by MIIT.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entity is our major subsidiary which made a material contribution to our results of operations during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding	Principal business activities
Guangdong Ledong	PRC	July 9, 2021	100.00%	Production of intelligent robotics, visual perception sensor and algorithm modules

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of our Company

On November 1, 2017, our predecessor, Shenzhen LDRobot, was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB100,000, which was held by Funmotion and Ms. CHENG Shuangli (程雙麗) as to 70.00% and 30.00%, respectively. Funmotion, held by Mr. Cai Youfei (蔡優飛) (the ultimate beneficial owner of Funmotion, and an Independent Third Party) as to 99.00%, was a strategic investor in our Company from the time of its incorporation till Funmotion's transfer of all of its Shares in January 2020, see "History, Development and Corporate Structure—Capital Transfer in January 2020." Ms. CHENG Shuangli, an Independent Third Party, is a friend of Mr. Zhou and a nominee of Mr. Zhou and Mr. Guo, who intended to jointly establish a holding platform of our Company at that time. Since such holding platform (being Shenzhen Lecheng Technology Partnership Enterprise (深圳樂澄科技合夥企業(有限合夥), "Lecheng Technology") which was subsequently established) had not yet been set up at the time and given Mr. Zhou and Mr. Guo were focused on business development and needed external support to save them the time and effort required for business registration and its related filings, Ms. CHENG Shuangli held the capital of our Company on behalf of Mr. Zhou and Mr. Guo to facilitate the Company's timely establishment and business operations.

In November 2017, Funmotion transferred 40.00% of the registered capital of our Company, being RMB40,000, to Ms. CHENG Shuangli, who was a nominee of Mr. Zhou and Mr. Guo, at nil consideration in order to correct an inadvertent typographical error in the capital holding ratio of Funmotion and Mr. CHENG Shuangli at the time of the registration of our Company. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the consideration paid for the above transfer was nil as such transfer was for purpose of the aforesaid correction of error in the capital holding ratio at the registration of our Company.

In November 2017, the registered capital was increased from RMB100,000 to RMB1,000,000, which was held by Ms. CHENG Shuangli and Funmotion as to 70.00% and 30.00%, respectively.

Capital Transfer in January 2018

In January 2018, Ms. CHENG Shuangli, being the nominee of Mr. Zhou and Mr. Guo, transferred 70.00% of the registered capital of our Company, being RMB700,000, to Lecheng Technology, being the holding platform of Mr. Zhou and Mr. Guo, at a consideration of RMB1.00 as instructed by Mr. Zhou and Mr. Guo. To the best information and knowledge of

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

the Company, the consideration of the above transfer was RMB1.00 as such transfer was for the purpose of the termination of the nominee arrangement among Mr. Zhou, Mr. Guo and Ms. CHENG Shuangli. Since the establishment of our Company and as of the Latest Practicable Date, there had not been any legal proceedings or disputes between Ms. CHENG Shuangli and any of Mr. Zhou and Mr. Guo in respect of the nominee shareholding arrangement.

Upon the completion of the above transfer, our Company was held by Lecheng Technology and Funmotion as to 70.00% and 30.00%, respectively.

Capital Increase and Capital Transfer in May 2018

In May 2018, the registered capital of our Company was increased from RMB1,000,000 to RMB1,016,221, through capital subscription in a total amount of RMB16,221 by Kelamayi Qicheng Investment Fund Partnership Enterprise (Limited Partnership) (克拉瑪依啟誠投資基金合夥企業(有限合夥)) (“Qicheng Investment”) at a consideration of RMB2,000,000. The consideration of the above subscription was determined based on arm’s length negotiations between the Company and the subscriber after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

In May 2018, Funmotion transferred 3.75% of the registered capital of our Company, being RMB38,108 to Shenzhen Jiuyu Galaxy Intelligent Internet Investment Fund (Limited Partnership) (深圳九宇銀河智能互聯投資基金(有限合夥)) (“Jiuyu Galaxy”) at a consideration of RMB6,000,000. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the consideration of the above transfer was determined based on arm’s length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of business of our Company.

Upon the completion of the above capital increase and capital transfer, our Company was held by Lecheng Technology, Funmotion, Jiuyu Galaxy, Qicheng Investment as to 68.88%, 25.77%, 3.75% and 1.60%, respectively.

Capital Increase in July 2018

In July 2018, the registered capital of our Company was increased from RMB1,016,221 to RMB1,078,669 through capital subscription of a total amount of RMB62,448, among which the registered capital of RMB17,031 was subscribed by Qicheng Investment at a consideration of RMB3,000,000 and the registered capital of RMB45,417 was subscribed by Mr. TAN Gaohui (譚高輝) at a consideration of RMB8,000,000. The considerations of the above subscriptions were determined based on arm’s length negotiations between the Company and the subscribers after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Upon the completion of the above capital increase, our Company was held by Lecheng Technology, Funmotion, Mr. TAN Gaohui, Jiuyu Galaxy and Qicheng Investment as to 64.89%, 24.28%, 4.21%, 3.53%, and 3.09%, respectively.

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Capital Transfer in January 2020

In January 2020, Funmotion transferred 24.28% of the then registered capital of our Company, being RMB261,892, to Mr. Zhou at a consideration of RMB15,000,000. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the consideration of the above transfer was determined based on arm's length negotiations between the parties after taking into account the liquidity needs of Funmotion and commercial considerations of both parties.

Upon the completion of the above capital transfer, our Company was held by Lecheng Technology, Mr. Zhou, Mr. TAN Gaohui, Jiuyu Galaxy and Qicheng Investment as to 64.89%, 24.28%, 4.21%, 3.53% and 3.09%, respectively.

Capital Transfer in October 2020

In October 2020, Mr. Zhou transferred (i) 3.33% of the then registered capital of our Company, being RMB35,955, to Qicheng Investment at a consideration of RMB5,000,000, (ii) 0.67% of the then registered capital of our Company, being RMB7,191, to Mr. WANG Bing (王昞) at a consideration of RMB1,000,000, and (iii) 10.00% of the then registered capital of our Company, being RMB107,867 to Hunan Huaye Tiancheng Venture Capital Partnership Enterprise (Limited Partnership) (湖南華業天成創業投資合夥企業(有限合夥)) (“Hunan Huaye”) at a consideration of RMB15,000,000. The Company was not a party to the above transfers, and to the best information and knowledge of the Company, the considerations of the above transfers were determined based on arm's length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments, and the prospects of business of our Company.

Upon the completion of the above transfers, our Company was held by Lecheng Technology, Mr. Zhou, Hunan Huaye, Qicheng Investment, Mr. TAN Gaohui, Jiuyu Galaxy and Mr. WANG Bing as to 64.89%, 10.28%, 10.00%, 6.42%, 4.21%, 3.53% and 0.67%, respectively.

Capital Transfer in November 2020

In November 2020, Mr. TAN Gaohui transferred 4.21% of the then registered capital of our Company, being RMB45,417, to Tibet Wanqing Investment Management Co., Ltd. (西藏萬青投資管理有限公司) (“Tibet Wanqing”) at a consideration of RMB9,120,000. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the consideration of the above transfer was determined based on arm's length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments, and the prospects of business of our Company.

Upon the completion of the above transfer, our Company was held by Lecheng Technology, Mr. Zhou, Hunan Huaye, Qicheng Investment, Tibet Wanqing, Jiuyu Galaxy and Mr. WANG Bing as to 64.89%, 10.28%, 10.00%, 6.42%, 4.21%, 3.53% and 0.67%, respectively.

Capital Transfer in December 2020

In December 2020, with a view to crystallizing the indirect interest in our Company held by Mr. Zhou, Mr. Guo and Ms. Wang (being then shareholders of Lecheng Technology and the spouse of Mr. Zhou) through Lecheng Technology as their respective direct shareholding at the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

level of our Company, Lecheng Technology transferred (i) 28.86% of the then registered capital of our Company, being RMB311,346, to Mr. Zhou for RMB1.00, (ii) 20.76% of the then registered capital of our Company, being RMB223,956 to Mr. Guo for RMB1.00, and (iii) 1.36% of the then registered capital of our Company, being RMB14,698 to Ms. Wang. The considerations for the above transfers were RMB1.00 as such transfers were for purpose of crystallizing and reflecting the indirect interest in our Company held by Mr. Zhou, Mr. Guo and Ms. Wang.

Upon the completion of the above transfers, our Company was held by Mr. Zhou, Mr. Guo, Lecheng Technology, Hunan Huaye, Qicheng Investment, Tibet Wanqing, Jiuyu Galaxy, Ms. Wang and Mr. WANG Bing as to 39.14%, 20.76%, 13.91%, 10.00%, 6.42%, 4.21%, 3.53%, 1.36% and 0.67%, respectively.

Series A Financing in July 2021

In July 2021, (i) Hunan Huaye subscribed for RMB72,883 in newly increased capital of our Company at a consideration of RMB25,000,000, and (ii) Tibet Wanqing subscribed for RMB14,577 in newly increased capital of our Company at a consideration RMB5,000,000. The considerations of the above subscriptions were determined based on arm's length negotiations between the Company and the subscribers after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Upon the completion of the above subscriptions, our Company was held by Mr. Zhou, Mr. Guo, Lecheng Technology, Hunan Huaye, Qicheng Investment, Tibet Wanqing, Jiuyu Galaxy, Ms. Wang and Mr. WANG Bing as to 36.21%, 19.21%, 12.86%, 15.50%, 5.93%, 5.14%, 3.27%, 1.26% and 0.62%, respectively.

Series A+ Financing in July 2021

In July 2021, (i) Hunan Huaye subscribed for RMB20,731 in newly increased capital of our Company at a consideration of RMB8,000,000, and (ii) Tibet Wanqing subscribed for RMB155,484 in newly increased capital of our Company at a consideration of RMB60,000,000. The considerations of the above subscriptions were determined based on arm's length negotiations between the Company and the subscribers after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Upon the completion of the above subscriptions, our Company was held by Mr. Zhou, Mr. Guo, Tibet Wanqing, Hunan Huaye, Lecheng Technology, Qicheng Investment, Jiuyu Galaxy, Ms. Wang and Mr. WANG Bing as to 31.45%, 16.68%, 16.05%, 15.01%, 11.17%, 5.16%, 2.84%, 1.10% and 0.54%, respectively.

Capital Transfer and Capital Increase in September 2021

In September 2021, Mr. Zhou transferred 3.00% of the then registered capital of our Company, being RMB40,270 to Tibet Wanqing at a consideration of RMB22,500,000. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the consideration of the above transfer was determined based on arm's length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of business of our Company.

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In September 2021, the registered capital of our Company was increased from RMB1,342,344 to RMB1,459,070 through capital subscription in a total amount of RMB116,726 by the employee shareholding platform of our Company, namely Photon Space, at a consideration of RMB16,000,000. The consideration of the above subscription was determined based on arm's length negotiations between the Company and the subscriber after taking into consideration various factors, including, but not limited to, the share incentive arrangement of our Company.

Upon the completion of the above transfer and capital increase, our Company was held by Mr. Zhou, Tibet Wanqing, Mr. Guo, Hunan Huaye, Lecheng Technology, Photon Space, Qicheng Investment, Jiuyu Galaxy, Ms. Wang and Mr. WANG Bing as to 26.18%, 17.53%, 15.35%, 13.81%, 10.28%, 8.00%, 4.74%, 2.61%, 1.01% and 0.49%, respectively.

Series B Financing in December 2021

In December 2021, (i) Shenzhen Pengyuansheng Enterprise Management Partnership (Limited Partnership) (深圳鵬遠昇企業管理合夥企業(有限合夥)) ("Pengyuansheng") subscribed for RMB29,181 in newly increased capital of our Company at a consideration of RMB30,000,000, (ii) Shenzhen High Tech Investment Fuhai Venture Capital Fund Phase I Partnership Enterprise (Limited Partnership) (深圳市高新投福海創業投資基金一期合夥企業(有限合夥)) ("High Tech Investment Fuhai") subscribed for RMB14,591 in newly increased capital of our Company at a consideration of RMB15,000,000, (iii) Xinjiang Mingshi Changfeng Private Equity Venture Capital Fund Partnership Enterprise (Limited Partnership) (新疆明時長風私募創業投資基金合夥企業(有限合夥)) ("Mingshi Changfeng") subscribed for RMB22,372 in newly increased capital of our Company at a consideration of RMB23,000,000, and (iv) Beijing Maker Town Equity Investment Fund (Limited Partnership) (北京創客小鎮股權投資基金(有限合夥)) ("Maker Town") subscribed for RMB6,809 in newly increased capital of our Company at a consideration of RMB7,000,000. The considerations of the above subscriptions were determined based on arm's length negotiations between the Company and the subscribers after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Upon the completion of the above subscriptions, our Company was held by Mr. Zhou, Tibet Wanqing, Mr. Guo, Hunan Huaye, Lecheng Technology, Photon Space, Qicheng Investment, Jiuyu Galaxy, Pengyuansheng, Mingshi Changfeng, Ms. Wang, High Tech Investment Fuhai, Mr. WANG Bing and Maker Town as to 24.93%, 16.69%, 14.62%, 13.15%, 9.79%, 7.62%, 4.52%, 2.49%, 1.90%, 1.46%, 0.96%, 0.95%, 0.47%, and 0.44%, respectively.

Series C Financing in January 2022

In January 2022, we completed series C financing through capital subscriptions as detailed below.

Subscribers	Registered capital of our Company	Consideration
	(RMB)	(RMB)
Hangzhou Yuanjing SME Development Equity Investment Fund Partnership (Limited Partnership) (杭州元璟中小企業發展股權投資基金合夥企業(有限合夥)) ("Yuanjing SME") . .	39,221	64,000,000
Hangzhou Yuanjing Dingheng Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州圓璟鼎恆股權投資基金合夥企業(有限合夥)) ("Yuanjing Dingheng") . .	30,640	50,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscribers	Registered capital of our Company	Consideration
	(RMB)	(RMB)
Lianjin Innovation Industry Private Equity Investment Fund (Shenzhen) Partnership Enterprise (Limited Partnership) (聯金創新產業私募股權投資基金(深圳)合夥企業(有限合夥)) (“Lianjin Innovation”)	36,769	60,000,000
Zhuhai Hengqin Huaye Tiancheng Venture Capital Partnership Enterprise (Limited Partnership) (珠海橫琴華業天成創業投資合夥企業(有限合夥)) (“Zhuhai Huaye”)	30,640	50,000,000
Wuhan Yuanxia Equity Investment Partnership (Limited Partnership) (武漢源夏股權投資合夥企業(有限合夥)) (“Wuhan Yuanxia”)	22,061	36,000,000
Hainan Houpu Digital Technology Co., Ltd. (海南厚普數字科技有限公司) (“Houpu Digital”)	18,384	30,000,000
Shenzhen Gongchuang Zhuoxin Investment Partnership Enterprise (Limited Partnership) (深圳共創卓信投資合夥企業(有限合夥)) (“Gongchuang Zhuoxin”)	6,128	10,000,000

The considerations of the above subscriptions were determined based on arm’s length negotiations between the Company and the subscribers after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Upon the completion of the above subscriptions, our Company was held by Mr. Zhou, Tibet Wanqing, Mr. Guo, Hunan Huaye, Lecheng Technology, Photon Space, Qicheng Investment, Jiuyu Galaxy, Yuanjing SME, Lianjin Innovation, Pengyuansheng, Yuanjing Dingheng, Zhuhai Huaye, Mingshi Changfeng, Wuhan Yuanxia, Houpu Digital, Ms. Wang, High Tech Investment Fuhai, Mr. WANG Bing, Maker Town and Gongchuang Zhuoxin as to 22.26%, 14.90%, 13.05%, 11.74%, 8.74%, 6.80%, 4.03%, 2.22%, 2.29%, 2.14%, 1.70%, 1.79%, 1.79%, 1.30%, 1.29%, 1.07%, 0.86%, 0.85%, 0.42%, 0.40% and 0.36%, respectively.

Capital Transfer in February 2022

In February 2022, our then shareholders completed transfers as detailed below.

Transferor	Transferee	Transferred registered capital of our Company	Consideration
		(RMB)	(RMB)
Qicheng Investment	Gongchuang Zhuoxin	18,384	30,000,000
Jiuyu Galaxy	Wenrun Growth No. 1 (Zhuhai) Equity Investment Fund Partnership Enterprise (Limited Partnership) (溫潤成 長壹號(珠海)股權投資基金合 夥企業(有限合夥)) (“Wenrun Growth No. 1”)	6,128	10,000,000
Mr. Zhou	Wuhan Yuanxia	17,159	28,000,000
Mr. Zhou	Pengyuansheng	12,256	20,000,000
Mr. Guo	Wuhan Yuanxia	17,159	28,000,000
Mr. Guo	Wenrun Growth No. 1	5,779	9,430,000
Mr. Guo	Zhuhai Hengqin Qichuang Shared Venture Capital Partnership (Limited Partnership) (珠海橫琴齊創共 享創業投資合夥企業(有限 合夥)) (“Qichuang Shared”)	349	570,000

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The considerations of the above transfers were determined based on arm's length negotiations between the parties after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business.

Capital Transfer in February 2022

In February 2022, our then shareholders completed transfers as detailed below.

Transferor	Transferee	Transferred registered capital of our Company (RMB)	Consideration (RMB)
Mr. Guo	Zhongjin Pucheng Investment Co., Ltd. (中金浦成投資有限公司) ("Zhongjin Pucheng")	4,902	8,000,000
Jiuyu Galaxy	Zhongjin Pucheng	7,354	12,000,000

The Company was not a party to the above transfers, and to the best information and knowledge of the Company, the considerations of the above transfers were determined based on arm's length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of business of our Company.

Capital Transfer in February 2022

In February 2022, Houpu Digital transferred 0.11% of the then registered capital of our Company, being RMB1,838.4, to Shenzhen Yuanxi Intelligent Manufacturing Enterprise (Limited Partnership) (深圳源希智能製造企業(有限合夥)) ("Yuanxi Intelligent") at a consideration of RMB3,000,000. The Company was not a party to the above transfer, and to the best information and knowledge of the Company, the considerations of the above transfer was determined based on arm's length negotiations between the parties after taking into account various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of business of our Company.

Conversion into a joint stock company with limited liability in June 2022

On April 15, 2022, the Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock company with limited liability (the "**June 2022 Conversion**"). Pursuant to the promoters' agreement dated May 10, 2022 entered into by all the then Shareholders, all promoters approved the conversion of the net asset value of our Company as of February 28, 2022 into 30,000,000 Shares of our Company with a nominal value of RMB1.00 each, with the excess of the net assets converted over nominal value of the Shares included as capital reserves of our Company. The June 2022 Conversion was completed in June 2022.

Upon the completion of the June 2022 Conversion and as of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered Share Capital (RMB)	Shareholding Percentage (%)
Mr. Zhou	6,163,770	20.55%
Mr. Guo	3,422,790	11.41%
Photon Space	2,040,810	6.80%
Ms. Wang	256,980	0.86%
Tibet Wanqing	4,471,470	14.90%

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Name of Shareholders	Registered Share Capital	Shareholding Percentage
	(RMB)	(%)
Hunan Huaye	3,522,660	11.74%
Zhuhai Huaye	535,710	1.79%
Lecheng Technology	2,622,600	8.74%
Wuhan Yuanxia	985,710	3.29%
Qicheng Investment	888,600	2.96%
Mingshi Changfeng	391,140	1.30%
Pengyuansheng	724,500	2.42%
Yuanjing SME	685,710	2.29%
Yuanjing Dingheng	535,710	1.79%
Lianjin Innovation	642,870	2.14%
Jiuyu Galaxy	430,560	1.44%
Gongchuang Zhuoxin	428,550	1.43%
Houpu Digital	289,290	0.96%
High Tech Investment Fuhai	255,120	0.85%
Zhongjin Pucheng	214,290	0.71%
Wenrun Growth No. 1	208,170	0.69%
Qichuang Shared	6,090	0.02%
Mr. WANG Bing	125,730	0.42%
Maker Town	119,040	0.40%
Yuanxi Intelligent	32,130	0.11%
Total	30,000,000	100.00%

Share Subdivision

We expect to conduct the Share Subdivision immediately prior to the Listing, pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB30,000,000, will be divided into 300,000,000 Shares with par value of RMB0.10 per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the Listing, and the number of our issued Shares will be 300,000,000, without taking into consideration the new Shares to be issued for the Global Offering.

OUR CONTROLLING SHAREHOLDERS

In December 2021, Mr. Zhou and Mr. Guo entered into the Acting in Concert Agreement, pursuant to which they agreed to act in concert in the exercise of any shareholder rights of our Company, including voting in the general meeting, directors' appointment, delegation or nomination, financial, operational, and management decisions and that Mr. Guo will follow Mr. Zhou's vote to arrive at a unanimous consent in case of any disagreement. The Acting in Concert Agreement will remain effective till 36 months after the Listing is completed and will not be affected by the matters of renaming of our Company, capital increase, merger, division or asset restructuring.

As of the Latest Practicable Date, Mr. Zhou, Mr. Guo (by virtue of the Acting in Concert Agreement among Mr. Zhou and Mr. Guo), Ms. Wang (being Mr. Zhou's spouse) and Photon Space (whose general partner is Mr. Zhou and is deemed to be controlled by Mr. Zhou) are collectively interested in approximately 39.61% of our total issued share capital as our Controlling Shareholders. See "Relationship with Our Controlling Shareholders" for further details.

EMPLOYEE INCENTIVE SCHEMES

To recognize the contributions of our key employees, incentivize our management team, retail talent and promote our long-term sustainable development, our Company has adopted the 2020 Employee Incentive Scheme, the 2021 Employee Incentive Scheme and the 2025 Employee Incentive Scheme. Employees who participated in the Employee Incentive Schemes would be granted restricted share awards in the Employee Incentive Platforms. See "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes."

PRE-IPO INVESTMENTS

Overview

Details of the Pre-IPO Investments are set out below⁽¹⁾:

Relevant Pre-IPO Investor	Acquisition method	Date of the agreement	Total consideration (RMB)	Adjusted cost per Share ⁽²⁾ (RMB)	Amounts of Shares/registered capital of our Company	Settlement date of the consideration	Discount to the Offer Price ⁽³⁾
Series A Investors	Subscription	June 22, 2021	30,000,000	1.96	87,460	June 22, 2021	92.10%
Series A+ Investors	Subscription	July 23, 2021	68,000,000	2.21	176,215	July 23, 2021	91.09%
Series B Investors	Subscription	October 18, 2021	75,000,000 ⁽⁴⁾	5.88	72,953	November 8, 2021	76.29%
Series C Investors	Subscription	January 5, 2022	300,000,000 ⁽⁵⁾	9.34	183,843	January 17, 2022	62.34%

Basis of determining the consideration paid

Save as specifically disclosed above, the consideration for the Pre-IPO Investments which involved increase of registered capital of our Company was determined based on arm's length negotiations between the Company and the Pre-IPO Investors after taking into consideration various factors, including, but not limited to, the historical operating performance, the timing of the investments and the prospects of our business. The growth in the valuation of our Company has been in line with the growth in our total revenue.

To the best knowledge of our Company, for the Pre-IPO Investments which involved transfer of existing registered capital or Shares to the Pre-IPO Investors, the considerations were determined among the then Shareholders of our Company and the relevant Pre-IPO Investors upon their respective arm's length negotiations.

Lock-up Period.

Pursuant to the applicable PRC laws, within the 12 months following the Listing Date, all current Shareholders (including the Pre-IPO Investors) cannot dispose of any of the Shares held by them.

Use of proceeds from the Pre-IPO Investments.

The gross proceeds from the Pre-IPO Investments involving increase of registered capital by our Company amounted to approximately RMB486 million. We utilized the proceeds from such Pre-IPO Investments for the principal business of our Group, including, but not limited to, research and development activities, the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately RMB150 million of the net proceeds from such Pre-IPO Investments had not been utilized and will continue to be used for research and development activities, the growth and expansion of our Company's business and general working capital purposes.

No proceeds were received by our Company from the Pre-IPO Investments that involved transfers of existing registered capital or Shares to the Pre-IPO Investors.

Strategic benefits to our Company brought by the Pre-IPO Investors

At the time of the respective Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company and the Pre-IPO Investors' knowledge and experience. Our Pre-IPO Investors include experienced investors who can share their experience on brand building and market expansion as well as their insight on business strategies and operations, their professional advice on our Group's corporate governance and internal control, some of which are especially experienced in robotics industry. Moreover, our Directors were also of the view that our Company could benefit from the Pre-IPO Investments as the Pre-IPO Investors' investments demonstrated their confidence in our operations and served as an endorsement of our performance, strengths and prospects.

Notes:

- (1) The Pre-IPO Investments consist of both (i) subscription of additional registered capital of the Company or new Shares by the Pre-IPO Investors, for which the Company was a party to such Pre-IPO Investments and received proceeds from such Pre-IPO Investors, the details of which are set out in this table; and (ii) transfer of existing registered capital or Shares to the Pre-IPO Investors, for which the Company was not a party to such Pre-IPO Investments and received no proceeds from such Pre-IPO Investors, and for further details of such transfers, please refer to the paragraph headed "— Major Shareholding Changes of our Company" above.
- (2) The adjusted cost per Share of each series is calculated by dividing the cost per registered capital unit by a coefficient of 174.8, which is determined by dividing the number of Shares held by each Shareholder immediately upon the completion of the June 2022 Conversion by their respective registered capital immediately prior to the June 2022 Conversion, as adjusted by the Share Subdivision to be undertaken immediately prior to the Listing, for purpose of illustrating the premium or discount to the Offer Price.
- (3) The discount to Offer Price is calculated based on the Offer Price of HK\$27.00 per Offer Share (being the mid-point of the indicative Offer Price range).
- (4) The increase from the implied valuation of Series A+ financing to the implied valuation of Series B financing was determined based on arm's length negotiations between our Company and the Pre-IPO Investors of the Series B financing taking into account the investors' confidence in the business potential of our Company (especially with the large-scale commercialization of our Company's innovative sensor products, including the DTOF LiDAR and solid state linear LiDAR, which demonstrated strong commercial potential).
- (5) The increase from the implied valuation of Series B financing to the implied valuation of Series C financing was determined based on arm's length negotiations between our Company and the Pre-IPO Investors of the Series C financing taking into account the overall increase in valuation of the then robotics industry (especially with the successful sales breakthroughs with several key corporate clients and a significant rise in revenues from sales of algorithm modules).

Special rights of the Pre-IPO Investors

Pursuant to the capital increase agreements during the Pre-IPO Investments, certain Pre-IPO Investors had been granted certain special rights, including, among others, pre-emptive right, right of first refusal and co-sale, anti-dilution right, redemption right, liquidation preferences, most favorable treatment, information right and director and supervisor appointment right (“Special Rights”).

Pursuant to the equity transfer agreement dated January 19, 2022, if the Company fails to complete a qualified initial public offering within the agreed timeframe, or if Mr. Zhou, Mr. Guo or the Group commits a serious breach of any transaction document or other contract with any of the then external shareholders, being Huaye Tiancheng, Tibet Wanqing, Qicheng Investment, Mr. Wang Bing, Jiuyu Galaxy, Pengyuansheng, High Tech Investment Fuhai, Mingshi Changfeng, Maker Town, Yuanjing SME, Yuanjing Dingheng, Lianjin Innovation, Zhuhai Huaye, Wuhan Yuanxia, Houpu Digital, Gongchuang Zhuoxin, Wenrun Growth No. 1, Qichuang Shared or Zhongjin Pucheng (collectively, the “Investors”), then each Investor shall have the right, at any time they consider appropriate, to issue a written redemption notice to the Company, requiring the Company to purchase all Shares held by that Investor. Pursuant to the supplemental agreement of the capital transfer agreement dated February 25, 2022 (the “Supplemental Agreement”) (after which no aforementioned special rights had been further granted to any of the Pre-IPO Investors) entered into and among relevant Shareholders, save for the information right and director and supervisor appointment right, all the special rights granted to Pre-IPO Investors had ceased to be effective as of February 25, 2022. Pursuant to the Articles of Association (the version taking effect on May 16, 2025), the information right and director and supervisor appointment right had ceased to be effective as of May 16, 2025. Accordingly, all special rights were terminated.

Joint Sponsors’ Confirmation

On the basis that (i) the considerations for the Pre-IPO Investments were irrevocably settled more than 28 clear days before the date of our first submission of the listing application form to the Stock Exchange in relation to the Listing, and (ii) the Special Rights granted to the Pre-IPO Investors have ceased to be effective as of the Latest Practicable Date, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the Chapter 4.2 under the Guide for New Listing Applicants.

Information relating to our major Pre-IPO Investors

Set out below is a description of each of our major Pre-IPO Investors, which have made meaningful investments in our Company (each holding more than 1.00% of the total issued share capital of our Company immediately prior to the Global Offering). To the best of the Company’s knowledge, information and belief, save for Tibet Wanqing, Hunan Huaye, Zhuhai Huaye and their respective ultimate beneficial owners, each of such major Pre-IPO Investors and their respective ultimate beneficial owners are Independent Third Parties.

Tibet Wanqing

Tibet Wanqing is a limited liability company established under the laws of the PRC on January 12, 2015, principally engaged in enterprise management planning, legal consultation, technical collaboration, business information consulting and corporate image planning. Tibet Wanqing is wholly owned by Mr. HUANG Tao (黃濤), who is deemed to be interested in the Shares of our Company held by Tibet Wanqing, see “Substantial Shareholders.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Hunan Huaye

Hunan Huaye is a limited partnership established under the laws of the PRC on February 2, 2019, principally engaged in non-listed equity investment activities and related consulting services. Hunan Huaye is held by its general partner, Shenzhen Huaye Tiancheng Investment Partnership Enterprise (Limited Partnership) (深圳華業天成投資合夥企業(有限合夥)) (“Shenzhen Huaye”) as to 1.21% and 19 limited partners as to 98.79%, none of which holds 30.00% or more of interest therein. Shenzhen Huaye is held by its general partner, Huaye Tiancheng Investment Co., Ltd (深圳華業天成投資有限公司) (“Huaye Tiancheng”), as to 1.00% and its limited partners Mr. SUN Yelin (孫業林) and Mr. YANG Huajun (楊華君), who are Independent Third Parties, as to 59.00% and 40.00%, respectively. Huaye Tiancheng Investment Co., Ltd is held by Mr. SUN Yelin and Mr. YANG Huajun, as to 65.00% and 35.00%, respectively.

Zhuhai Huaye

Zhuhai Huaye is a limited partnership established under the laws of the PRC on December 22, 2020, principally engaged in equity investment in private equity funds, investment management, asset management and other activities. Zhuhai Huaye is held by its general partner Zhuhai Hengqin Huaye Tiancheng Investment Partnership Enterprise (Limited Partnership) (珠海橫琴華業天成投資合夥企業(有限合夥)) (“Hengqin Huaye”) as to 0.05% and 40 limited partners as to 99.95%, none of which holds 30.00% or more of interest therein. Hengqin Huaye is held by its general partner, Huaye Tiancheng, as to 1.00% and held by two limited partners, namely Mr. SUN Yelin (孫業林) and Mr. YANG Huajun (楊華君) as to 59.00% and 40.00%, both Independent Third Parties.

Wuhan Yuanxia

Wuhan Yuanxia is a limited partnership established under the laws of the PRC on July 15, 2021, principally engaged in equity investment, investment management, asset management and other activities. Wuhan Yuanxia is held (i) as to 1.00% by its general partner, Ningbo Yuanguang Enterprise Management Consulting Co., Ltd (寧波源光企業管理諮詢有限公司) (“Ningbo Yuanguang”), which is in turn ultimately controlled by Mr. CAO Yi (曹毅), an Independent Third Party, as to 82.18% and (ii) as to 99.00% by three limited partners, among which, 36.83% by Wuxi Yuanran Equity Investment Partnership Enterprise (Limited Partnership) (無錫源然股權投資合夥企業(有限合夥)) (“Wuxi Yuanran”), 32.17% by Nanjing Yuanjun Equity Investment Partnership Enterprise (Limited Partnership) (南京源駿股權投資合夥企業(有限合夥)) (“Nanjing Yuanjun”), and 30.00% by National Small and Medium Sized Enterprise Development Fund Co., Ltd. (國家中小企業發展基金有限公司) (“National SME Development Fund”). The National SME Development Fund is held by the Ministry of Finance of the People’s Republic of China as to 42.66% and no other shareholder holds 30% or more of the interest therein. Wuxi Yuanran is held by its general partner Wuxi Yuandao Management Consulting Co., Ltd (無錫源道管理諮詢有限公司) (“Wuxi Yuandao”) as to 0.04% and 19 limited partners as to 99.96%, none of which holds 30.00% or more of interest therein. Nanjing Yuanjun is held as to 0.04% by its general partner, Nanjing Yuanning Management Consulting Co., Ltd. (南京源寧管理諮詢有限公司) (“Nanjing Yuanning”), 33.26% by its limited partner, New China Life Insurance Company Ltd. (新華人壽保險股份有限公司) (601336.SH), and none of its other 13 limited partners holds 30% or more of the interest therein. Both Wuxi Yuandao and Nanjing Yuanning are ultimately controlled by Mr. CAO Yi, who indirectly holds 82.18% of the interest respectively in Wuxi Yuandao and Nanjing Yuanning.

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Qicheng Investment

Qicheng Investment is a limited partnership established under the laws of the PRC on September 22, 2016, principally engaged in venture capital and equity investment, investment management, asset management and other activities through private equity funds. Qicheng Investment is held by its general partner Xinjiang Mingshi Investment Management Co., Ltd. (新疆銘石投資管理有限公司), as to 6.06% and 11 limited partners as to 93.94%, among which Youngsun Construction Group Co., Ltd. (永升建設集團有限公司) holds 30.30% of interest therein, and none of the other limited partners holds 30.00% or more of interest therein. Xinjiang Mingshi Investment Management Co., Ltd. is held by Mr. FAN Wenyang (樊文洋) and Mr. GAO Lianhao (高連浩), both Independent Third Parties, as to 90.00% and 10.00% respectively. Youngsun Construction Group Co., Ltd. is held by Independent Third Parties, including Mr. HE Guosheng (何國生), Ms. LIU Yan (劉燕), Mr. LIU Sheyi (劉社義), Ms. ZHOU Qianyu (周倩羽), Ms. ZHOU Yan (周燕), Ms. SUN Xianmei (孫鮮梅), Ms. SONG Guiling (宋桂玲), Mr. ZHANG Yuanqing (張元清), Mr. PENG Hong (彭宏), Mr. FANG Jianhua (房建華), Mr. FANG Dexin (方德鑫), Ms. ZHU Lin (朱琳), Ms. LI Na (李娜), Ms. LI Yuling (李玉玲), Ms. LI Xia (李霞), Ms. YANG Li (楊麗), Ms. YANG Mei (楊梅), Mr. LIANG Bojun (梁博軍), Mr. TANG Guoyi (湯國義), Mr. WANG Leyu (王樂宇), Ms. WANG Fengping (王鳳萍), Ms. WANG Aimei (王愛梅), Ms. WANG Yuying (王玉英), Ms. WANG Fumei (王福梅), Mr. SU Lingping (蘇凌平), Mr. SU Zhilian (蘇志連), Ms. ZHONG Taoxian (鍾桃先), Ms. CHEN Xiufen (陳秀芬), Mr. GAO Sheng (高升), and Ms. WEI Xinhui (魏新慧), none of which holds 30.00% or more of interest therein.

Mingshi Changfeng

Mingshi Changfeng is a limited partnership established under the laws of the PRC on September 17, 2021, principally engaged in investment management and asset management. Mingshi Changfeng is held by its general partner, Xinjiang Mingshi Investment Management Co., Ltd., as to 1.96% and seven limited partners as to 98.04%, none of which holds 30.00% or more of interest therein. Xinjiang Mingshi Investment Management Co., Ltd. is held by FAN Wenyang (樊文洋) and GAO Lianhao (高連浩) as to 90.00% and 10.00%, respectively.

Shenzhen Pengyuansheng

Shenzhen Pengyuansheng is a limited partnership established under the laws of the PRC on May 16, 2017, principally engaged in enterprise management, business management consulting, marketing strategy planning, financial consulting, information consulting services, information technology consulting services, corporate headquarters management and domestic trade agency. Shenzhen Pengyuansheng is held by its general partner Foshan Zhuoweisheng Trading Co., Ltd. (佛山卓威盛貿易有限公司) as to 61.00% and its limited partner Foshan Hengyi Chuang Trading Co., Ltd. (佛山恒義創貿易有限公司) as to 39.00%. Each of Foshan Zhuoweisheng Trading Co., Ltd. and Foshan Hengyi Chuang Trading Co., Ltd. is wholly owned by Shenzhen Pengrui Investment Group Co., Ltd. (深圳鵬瑞集團有限公司), which is held by two individuals who are Independent Third Parties of our Company, namely Mr. XU Hang (徐航) and Ms. Wang Lin (王琳) as to 99.80% and 0.20%.

Yuanjing SME

Yuanjing SME is a limited partnership established under the laws of the PRC on July 12, 2021, principally engaged in equity investment. Yuanjing SME is held by its general partner Hangzhou Yuanjing Sanjiu Management Consulting Partnership Enterprise (Limited Partnership) (杭州圓璟三久管理諮詢合夥企業(有限合夥)) as to 1.23% and 16 limited partners as to 98.77%, none of which holds 30.00% or more of interest therein. Hangzhou Yuanjing Sanjiu Management Consulting Partnership Enterprise (Limited Partnership) is held as to 4.00% by its general partner, Hangzhou Yuanjing Dingsheng Enterprise Management Co., Ltd. (杭州圓璟鼎晟企業管理有限公司), and as to 96.00% by five limited partners, among which,

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Hangzhou Hongshan Investment Management Co., Ltd. (杭州鴻珊投資管理有限公司) held 84.00%, Ms. TIAN Min held 2.60%, Mr. CHEN Hongliang (陳洪亮) held 1.40% and neither of the other two limited partners holds 30.00% or more of interest therein. Hangzhou Yuanjing Dingsheng Enterprise Management Co., Ltd. is held by two individuals who are Independent Third Parties, namely Mr. CHEN Hongliang and Ms. TIAN Min as to 65.00% and 35.00%. Hangzhou Hongshan Investment Management Co., Ltd. is held by two individuals who are Independent Third Parties, namely Mr. Wu Hanyuan (吳漢源) and Mr. GUO Qinghang (郭慶杭) as to 60.00% and 40.00%.

Yuanjing Dingheng

Yuanjin Dingheng is a limited partnership established under the laws of the PRC on December 18, 2020, principally engaged in equity investment. Yuanjing Dingheng is held as to 0.20% by its general partner, Hangzhou Yuanjing Ruiheng Investment Management Co., Ltd. (杭州元璟睿恒投資管理有限公司), and as to 99.80% by three limited partners, among which, Hangzhou Jinglong Enterprise Management Co., Ltd. (杭州景龍企業管理有限公司) holds 59.88%, and neither of the other two limited partners holds 30.00% or more of interest therein. Hangzhou Yuanjing Ruiheng Investment Management Co., Ltd. is held by three individuals who are Independent Third Parties, namely Mr. WU Yongming (吳泳銘), Mr. CHEN Hongliang and Ms. TIAN Min as to 83.00%, 10.00% and 7.00%. Hangzhou Jinglong Enterprise Management Co., Ltd. is held by two individuals who are Independent Third Parties, namely Mr. QIU Jialin (裘加林) and Mr. LI Jun (李鈞) as to 90.91% and 9.09%.

Lianjin Innovation

Lianjin Innovation is a limited partnership established under the laws of the PRC on December 3, 2018, principally engaged in equity investment. Lianjin Innovation is held as to 0.54% by its general partner, Lianjin Private Equity Venture Capital Fund Management (Shenzhen) Co., Ltd. (聯金私募股權創業投資基金管理(深圳)有限公司) and as to 99.46% by 15 limited partners, none of which holds 30.00% or more of interest therein. Lianjin Private Equity Venture Capital Fund Management (Shenzhen) Co., Ltd. is held (i) as to 51.00% by CICC Capital Operations Co., Ltd. (中金資本運營有限公司) (which is in turn wholly owned by China International Capital Corporation Ltd. (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995)), and (ii) as to 49.00% by China Unicom Capital Investment Holdings Limited (聯通資本投資控股有限公司) (which is in turn ultimately wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council).

Jiuyu Galaxy

Jiuyu Galaxy is a limited partnership established under the laws of the PRC on July 13, 2015, principally engaged in investment management and asset management. Jiuyu Galaxy is held as to 2.44% by its general partner Shenzhen Jiuyu Capital Management Co., Ltd. (深圳九宇資本管理有限公司) and as to 97.56% by 16 limited partners, none of which holds 30.00% or more of interest therein. Shenzhen Jiuyu Capital Management Co., Ltd. is held by two Independent Third Parties, namely Mr. ZHAO Yujie (趙宇傑) and Mr. ZHANG Zhen (張震) as to 99.05% and 0.95%.

Gongchuang Zhuoxin

Gongchuang Zhuoxin is a limited partnership established under the laws of the PRC on August 13, 2021, principally engaged in investment activities with own funds, information technology consulting services and information consulting services. Gongchuang Zhuoxin is held as to 0.05% by its general partner, Ms. ZHANG Lijun (張麗軍), an Independent Third Party and as to 99.95% by 12 limited partners, none of which holds 30.00% or more of interest therein.

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Information relating to other Pre-IPO Investors

Set out below is a description of each of the other Pre-IPO Investors, which have made investments in our Company. To the best of the Company's knowledge, information and belief, each of such Pre-IPO Investors are Independent Third Parties.

High Tech Investment Fuhai

High Tech Investment Fund is a limited partnership established under the laws of the PRC on July 16, 2021, mainly engaged in equity investment, investment management, asset management and other activities. High Tech Investment Fund is held as to 1.00% by its general partner Shenzhen High Tech Investment Zhengxuan Equity Investment Fund Management Co., Ltd. (深圳市高新投正軒股權投資基金管理有限公司) ("Shenzhen High Tech Investment Zhengxuan"), and as to 99.00% by its two limited partners, among which, 70.00% by Shenzhen Fuhai Industrial Innovation Phase I Partnership Enterprise (Limited Partnership) (深圳市福海產業創新一期合夥企業(有限合夥)) ("Fuhai Industrial Innovation Phase I") and 29.00% by Shenzhen Gaoxin Investment Group Co., Ltd. (深圳市高新投集團有限公司) ("Shenzhen HTI Group Co., Ltd."). Shenzhen High Tech Investment Zhengxuan is held by Shenzhen High-tech Investment Group Co., Ltd. (深圳市高新投集團有限公司) and Shenzhen Zhengxuan Investment Co., Ltd. (深圳市正軒投資有限公司) as to 60.00% and 40.00%, respectively. Shenzhen High-tech Investment Group Co., Ltd. is held by Shenzhen Investment Holding Co., Ltd. (深圳市投資控股有限公司), Shenzhen Stable Development Investment Co., Ltd. (深圳市平穩發展投資有限公司), Shenzhen Capital Operation Group Co., Ltd. (深圳市資本運營集團有限公司), Shenzhen Construction Development (Group) Co., Ltd. (深圳市城市建設開發(集團)有限公司), Shenzhen Luohu Industrial Investment Private Equity Investment Fund Management Co., Ltd. (深圳市羅湖戰略新興產業投資有限公司), and Shenzhen Shenwan Zhichuang Technology Co., Ltd. (深圳市深灣智創科技有限公司), as to 45.81%, 22.24%, 14.74%, 12.99%, 2.68% and 1.54%, respectively. Shenzhen Investment Holding Co., Ltd. is held by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會) as to 100.00%, and Shenzhen Stable Development Investment Co., Ltd., Shenzhen Capital Operation Group Co., Ltd. and Shenzhen Construction Development (Group) Co., Ltd. are ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People's Government, as to 72.83%, 100.00%, and 100.00%, respectively. Shenzhen Zhengxuan Investment Co., Ltd. is held by XIA Zuoquan (夏佐全) and YANG Zhilian (楊志蓮), as to 97.25% and 2.75%, respectively. Fuhai Industrial Innovation Phase I is held as to 14.29% by its general partner, Shenzhen Fuhai Zhigu Industrial Technology Co., Ltd. (深圳市福海智穀產業科技有限公司) and no limited partner holds more than 30.00% or more of interest therein. Shenzhen Fuhai Zhigu Industrial Technology Co., Ltd. is held as to 60.00% by Ms. HUANG Xiaojun (黃小娟) and 40.00% by Mr. HUANG Mianbo (黃綿波).

Houpu Digital

Houpu Digital is a limited liability company established under the laws of the PRC on February 10, 2021, mainly engaged in network technology services, software development, basic software development for artificial intelligence and related activities. Houpu Digital is wholly owned by New Hope Investment Development (Guangdong) Co., Ltd. (新希望投資發展(廣東)有限公司), which in turn is wholly owned by Nanfang Hope Industrial Co., Ltd. (南方希望實業有限公司). Nanfang Hope Industrial Co., Ltd. is held by New Hope Group Co., Ltd. (新希望集團有限公司) and Ningbo Zhuosheng Investment Co., Ltd. (寧波卓晟投資有限公司) as to 51.00% and 49.00%, respectively. New Hope Group Co., Ltd. is ultimately controlled by LIU Yonghao (劉永好) as to 89.60%, of which 75.00% was held indirectly through NEW HOPE HOLDING GROUP CO., LIMITED (新希望控股集團有限公司), which is in turn wholly

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owned by New Hope Asia Pacific Investment Holdings Limited (新希望亞太投資控股有限公司), and 14.60% was directly held by LIU Yonghao. New Hope Asia Pacific Investment Holdings Limited is ultimately owned by LIU Yonghao (劉永好) as to 100.00%, of which 99.25% was held indirectly through Lhasa Economic and Technological Development Zone New Hope Investment Co. Ltd (拉薩經濟技術開發區新希望投資有限公司), a company wholly owned by LIU Yonghao and 0.75% was directly held by LIU Yonghao. Ningbo Zhuosheng Investment Co., Ltd. is held by Xizang Tianyi Industrial Co., Ltd. (西藏添翼實業有限公司) and LIU Yonghao as to 72.66% and 27.34%, respectively. Xizang Tianyi Industrial Co., Ltd. is in turn wholly owned by Runhe Investment Holdings Private Limited (潤和投資控股私人有限公司).

Zhongjin Pucheng

Zhongjin Pucheng is a limited liability company established under the laws of the PRC on April 10, 2012, mainly engaged in investment management, investment consultancy, import and export of goods and technology, freight forwarding, warehousing and other activities. Zhongjin Pucheng is wholly owned by China International Capital Corporation Limited (601995.SH, 3908.HK).

Wenrun Growth No. 1

Wenrun Growth No. 1 is a limited partnership established under the laws of the PRC on November 4, 2020, principally engaged in equity investment, investment management, asset management and other activities. It is held by Guangdong Wens Investment Co., Ltd. (廣東溫氏投資有限公司) as its general partner as to 59.55%, and two limited partners as to 40.45%, none of which holds 30.00% or more of interest therein. Guangdong Wens Investment Co., Ltd. is wholly owned by Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司), a company listed on the ChiNext Market of Shenzhen Stock Exchange (300498.SZ).

Qichuang Shared

Qichuang Shared is a limited partnership established under the laws of the PRC on June 6, 2013, principally engaged in investment and other activities. It is held as to 14.17% by its general partner, Mr. LUO Yueting (羅月庭), an Independent Third Party, and 45.83% by its limited partner Mr. QIN Yongjin (覃勇進), an Independent Third Party. No other limited partner holds more than 30.00% or more of interest therein.

Mr. WANG Bing (王昞)

Mr. WANG Bing is an Independent Third Party and an individual investor, who is principally engaged in equity investments in the technology sector.

Maker Town

Maker Town is a limited partnership established under the laws of the PRC on September 6, 2018, principally engaged in investment management and consultancy for non-securities business. It is held as to 1.82% by its general partner, Beijing Innovation Town Asset Management Corporation Limited (北京創客小鎮資產管理有限公司), 40.82% by its limited partner Beijing Maker Town Investment Management Co., Ltd. (北京創客小鎮投資管理有限公司) and 36.36% by Xinjiang Tianshan Hanhai Investment Fund L.P. (新疆天山瀚海投資基金有限合夥企業); no other limited partner holds more than 30.00% or more of interest therein. Beijing Innovation Town Asset Management Corporation Limited is held as to 51.00% by Beijing Maker Town Investment Management Co., Ltd. and 49.00% by Xinjiang Mingshi

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Investment Management Co., Ltd. Beijing Maker Town Investment Management Co., Ltd. is held by Beijing Furui Technology Co., Ltd. (北京福瑞科技有限公司) and Zhongrang Group Co., Ltd (中壤集團有限公司) as to 51.00% and 49.00%, respectively. Beijing Furui Technology Co., Ltd. is wholly owned by Beijing Enxin Life Service Co., Ltd. (北京恩信生活服務有限公司), which is in turn owned by Enxin Happiness Life Service Group Co., Ltd. (恩信幸福生活服務集團有限公司) and Beijing Xinda Sunshine Investment Center (Limited Partnership) (北京信達陽光投資中心(有限合夥)) as to 95.00% and 5%, respectively. Enxin Happiness Life Service Group Co., Ltd. is held by XU Kai (許凱) and PAN Qiuju (潘秋菊) as to 80.00% and 20.00%, respectively. Zhongrang Group Co., Ltd is owned by QU Xiaodong (屈曉東), ZHENG Yanyan (鄭焱艷) and QU Zijun (屈梓鈞) as to 52.00%, 46.00% and 2.00%, respectively. Xinjiang Tianshan Hanhai Investment Fund L.P. is held as to 2.56% by its general partner Xinjiang Mingshi Investment Management Co., Ltd. (新疆銘石投資管理有限公司), which is held as to 90.00% by Mr. FAN Wenyang (樊文洋) and 10.00% by Mr. GAO Lianhao (高連浩), both Independent Third Parties; no limited partner holds more than 30.00% or more of interest therein.

Yuanxi Intelligent

Yuanxi Intelligent is a limited liability partnership established under the laws of the PRC on January 18, 2022, mainly engaged in smart manufacturing, artificial intelligence public service platform, technical consulting services, enterprise management, information services and other activities. It is held as to 33.33% by its general partner, Shenzhen Chuanying Investment Co., Ltd.(深圳川英投資有限公司), 43.33% by its limited partner, Mr. WANG Zhipei (汪智沛), an Independent Third Party, and 23.33% by its other limited partner, Mr. YU Chuan (喻川), an Independent Third Party. Shenzhen Chuanying Investment Co., Ltd. is held as to 100.00% by Shenzhen Chuanying Enterprise Management Co., Ltd. (深圳川英企業管理有限公司), and the latter is held as to 50.00% by Mr. YU Chuan and 50.00% by Ms. LEI Huiying (雷惠英), an Independent Third Party.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

PUBLIC FLOAT AND FREE FLOAT

(i) 11,884,350 H Shares (being 118,843,500 H Shares immediately following the Share Subdivision) converted from Unlisted Shares and held by our Controlling Shareholders (namely, Mr. Zhou, Mr. Guo, Photon Space and Ms. WANG Mingyue), representing 39.61% of total issued Shares as of the Latest Practicable Date, or approximately 35.65% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), (ii) 4,471,470 H Shares (being 44,714,700 H Shares immediately following the Share Subdivision) converted from Unlisted Shares and held by our substantial shareholder, namely Tibet Wanqing, representing 14.90% of total issued Shares as of the Latest Practicable Date, or approximately 13.41% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), and (iii) 4,058,370 H Shares (being 40,583,700 H Shares immediately following the Share Subdivision) converted from Unlisted Shares and controlled by our substantial shareholder, namely Huaye Tiancheng (through Hunan Huaye and Zhuhai Huaye), representing 11.74% and 1.79% of total issued Shares as of the Latest Practicable Date, or approximately 10.57% and 1.61% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), will not be counted towards the public float according to Rule 8.08 of the Listing Rules (as amended and replaced by Rule 19A.13A(1)).

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To the best knowledge of the Directors and after due enquiries, taking into account the Conversion of Unlisted Shares into H Shares upon Listing and the Global Offering, 129,191,500 H Shares, representing approximately 38.76% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), held by the remaining Shareholders other than the above-mentioned Shareholders will be counted towards the public float according to Rule 8.08 of the Listing Rules (as amended and replaced by Rule 19A.13A(1)) upon the Listing, which is higher than the prescribed percentage of H Shares required to be held in public hands of 25% under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules based on a minimum Offer Price of HK\$24.00 per H Share. Therefore, our Company will be able to meet the minimum public float requirements under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50 million; or (b) have an expected market value at the time of listing of not less than HK\$600 million. Our Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure (a) as of the Latest Practicable Date and (b) immediately upon the completion of the Global Offering and the Conversion of the Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised.

Shareholders	Number of Shares held by the Shareholder as of the Latest Practicable Date	Number of Shares upon completion of the Global Offering ⁽¹⁾		Aggregate ownership percentage as at the Latest Practicable Date	Aggregate ownership percentage upon completion of the Global Offering ⁽¹⁾	Whether the H Shares held by the Shareholder is counted towards the public float
		H Shares ⁽⁵⁾	Unlisted Shares			
Group of Controlling Shareholders						
Mr. Zhou	6,163,770	61,637,700	N/A	20.55%	18.49%	No
Mr. Guo	3,422,790	34,227,900	N/A	11.41%	10.27%	No
Photon Space ⁽²⁾	2,040,810	20,408,100	N/A	6.80%	6.12%	No
Ms. Wang	256,980	2,569,800	N/A	0.86%	0.77%	No
Employee Incentive Platform⁽²⁾						
Lecheng Technology	2,622,600	26,226,000	N/A	8.74%	7.87%	Yes
Pre-IPO Investors⁽³⁾						
Tibet Wanqing	4,471,470	44,714,700	N/A	14.90%	13.41%	No
Hunan Huaye and Zhuhai Huaye	4,058,370	40,583,700	N/A	13.53%	12.18%	No
Wuhan Yuanxia	985,710	9,857,100	N/A	3.29%	2.96%	Yes
Qicheng Investment	888,600	8,886,000	N/A	2.96%	2.67%	Yes
Mingshi Changfeng	391,140	3,911,400	N/A	1.30%	1.17%	Yes
Pengyuansheng	724,500	7,245,000	N/A	2.42%	2.17%	Yes
Yuanjing SME and Yuanjing Dingheng	1,221,420	12,214,200	N/A	4.07%	3.66%	Yes

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Shareholders	Number of Shares held by the Shareholder as of the Latest Practicable Date	Number of Shares upon completion of the Global Offering ⁽¹⁾		Aggregate ownership percentage as at the Latest Practicable Date	Aggregate ownership percentage upon completion of the Global Offering ⁽¹⁾	Whether the H Shares held by the Shareholder is counted towards the public float
		H Shares ⁽⁵⁾	Unlisted Shares			
Lianjin Innovation	642,870	6,428,700	N/A	2.14%	1.93%	Yes
Jiuyu Galaxy	430,560	4,305,600	N/A	1.44%	1.29%	Yes
Gongchuang Zhuoxin	428,550	4,285,500	N/A	1.43%	1.29%	Yes
Houpu Digital	289,290	2,892,900	N/A	0.96%	0.87%	Yes
High Tech Investment Fuhai	255,120	2,551,200	N/A	0.85%	0.77%	Yes
Zhongjin Pucheng	214,290	2,142,900	N/A	0.71%	0.64%	Yes
Wenrun Growth No. 1	208,170	2,081,700	N/A	0.69%	0.62%	Yes
Qichuang Shared	6,090	60,900	N/A	0.02%	0.02%	Yes
Mr. WANG Bing	125,730	1,257,300	N/A	0.42%	0.38%	Yes
Maker Town	119,040	1,190,400	N/A	0.40%	0.36%	Yes
Yuanxi Intelligent	32,130	321,300	N/A	0.11%	0.10%	Yes
Offer Shares						
Offer Shares						
Shareholders ⁽⁴⁾	—	33,333,400	N/A	—	10.00%	Yes
Total	30,000,000	333,333,400	N/A	100.00%	100.00%	Yes

Notes:

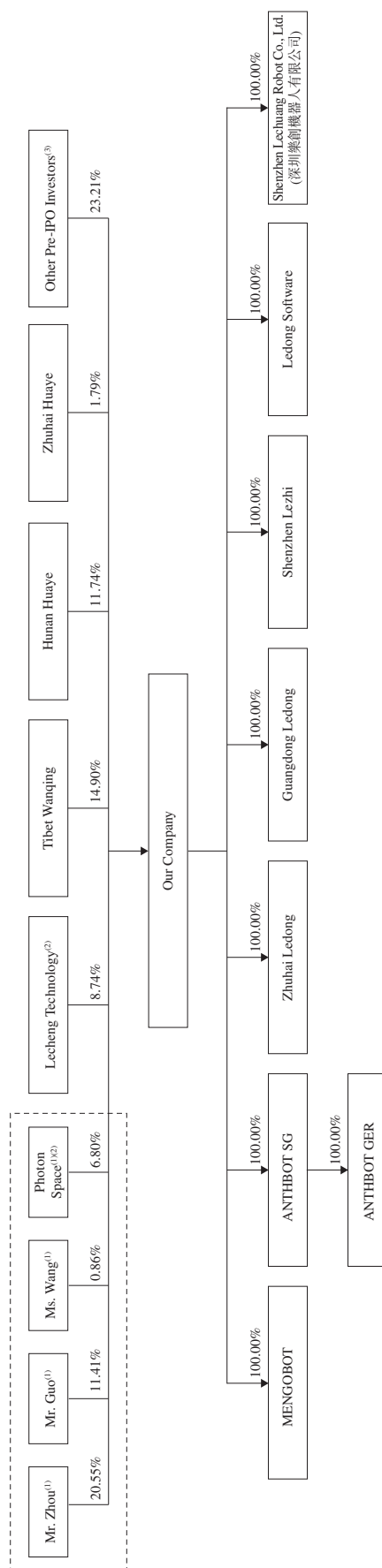
- (1) Assuming the Over-allotment Option is not exercised.
- (2) Photon Space and Lecheng Technology are our Employee Ownership Platforms. For details, see “Appendix VI—Statutory and General Information—D. Employee Incentive Schemes.”
- (3) See “—Pre-IPO Investments—Information relating to our Major Pre-IPO Investors” for the detailed background information of each of the Pre-IPO Investors. To the best of the Company’s knowledge, information and belief, such Shareholders are Independent Third Parties.
- (4) “Offer Shares Shareholders” refer to the Shareholders who subscribe for the Offer Shares pursuant to the Global Offering.
- (5) The number of H Shares upon Listing represents (i) in respect of the existing Shareholders, the number of H Shares as converted from Unlisted Shares under the Conversion of Unlisted Shares into H Shares immediately following the Share Subdivision, and (ii) in respect of the public Shareholders, the number of H Shares to be issued pursuant to the Global Offering.

CORPORATE STRUCTURE

The following charts illustrate our shareholding and corporate structure (1) immediately prior to the completion of the Global Offering and (2) immediately after the completion of the Global Offering (assuming that the Over-allotment Option has not been exercised).

Immediately prior to the completion of the Global Offering

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the Global Offering:

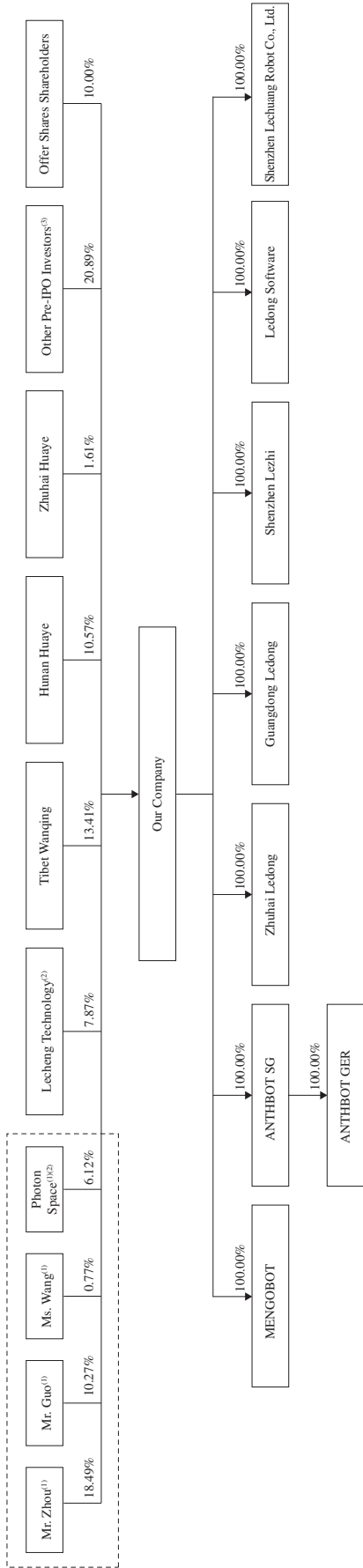


Notes:

- (1) Mr. Zhou, Mr. Guo, Ms. Wang and Photon Space form the Controlling Shareholders of our Company. See "Relationship with Our Controlling Shareholders" for details.
- (2) Lecheng Technology and Photon Space are Employee Incentive Platforms of our Company. See "Appendix VI Statutory and General Information—D. Employee Incentive Schemes" for details, including details of their respective shareholdings.
- (3) Other Pre-IPO Investors include: (i) Series B Investors, namely, Pengyuansheng (2.42%), High Tech Investment Fuhai (0.85%), Mingshi Changfeng (1.30%) and Maker Town (0.40%); (ii) Series C Investors, namely, Yuanjing SME (2.29%), Yuanjing Dingheng (1.79%), Lianjin Innovation (2.14%), Zhuhai Huaye (1.79%), Wuhan Yuanxia (3.29%), Houpu Digital (0.96%) and Gongchuang Zhuoxin (1.43%); (iii) Qicheng Investment (2.96%), Jiuyu Galaxy (1.44%), Zhongjin Pucheng (0.71%), Wenrun Growth No. 1 (0.69%), Mr. WANG Bing (0.42%), Yuanxi Intelligent (0.11%), and Qichuang Shared (0.02%). See "—Pre-IPO Investments—Information relating to our Major Pre-IPO Investors" above for the detailed background information of each of the other Pre-IPO Investors.
- (4) Human Huaye and Zhuhai Huaye are under the common control by Huaye Tiancheng and their aggregated shareholdings are 13.53% as of the Latest Practicable Date, or approximately 12.18% upon Listing (assuming the Over-allotment Option is not exercised).

Immediately after the completion of the Global Offering (assuming that the Over-allotment Option has not been exercised)

The chart below sets out the shareholding structure of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Note:

Notes (1) to (4): See the corresponding notes for the chart under “Immediately prior to the completion of the Global Offering” above.

(5) The shareholdings of Wuhan Yuanxia, Qicheng Investment, Mingshi Changfeng, Pengyuansheng, Yuanjing SME, Yuanjing Dingheng, Lianjin Innovation, Jiuyu Galaxy, Gongchuang Zhuoxin, Houpu Digital, High Tech Investment Fuhai, Zhongjin Pucheng, Wenrun Growth No. 1, Qichuang Shared, Mr. WANG Bing, Maker Town and Yuanxi Intelligent will be counted towards the public float. For further details, see “—Public Float.”

OVERVIEW

Who We Are

We are a company offering visual perception products and robot lawn mowers.

Our Business

We are one of the companies possessing a set of intelligent robot visual perception technology product matrix, encompassing a wide range of innovative intelligent robot LiDAR products. Our intelligent visual perception products are integrated into a wide range of complete robots such as robotic vacuum cleaners, robot lawn mowers, room service robots, restaurant service robots, inspection robots and logistics robots. Seizing the global growth opportunities in the intelligent robot lawn mower market, we have efficiently developed and successfully commenced mass production of complete intelligent robot lawn mowers. Focusing on multi-modal perception technology and AI algorithms, we have developed a wide range of capabilities from underlying R&D technologies to advanced application implementations in the field of intelligent robots. We also possess in-house capacities to design and manufacture complete robots. With our continued product innovation, we are developing products tailored for emerging scenarios, such as intelligent garden maintenance system, and expanding our brand in the overseas.

Headquartered in China, we are strategically expanding our footprint in overseas markets. We have established R&D and production bases in Shenzhen and a technical support center in Suzhou. We are also setting up operation centers in Singapore, Hong Kong and Germany, along with production collaborations in Vietnam, to ensure efficient overseas R&D production, sales and services. We have established close cooperation with more than 300 robotics and related companies. As of the Latest Practicable Date, our products and services reached end users in more than 50 countries and regions. We manage factories of more than 20,000 square meters, and have established a reliable supply chain ecosystem. This supports our R&D, design and manufacturing of visual perception and complete robotic products, thereby ensuring stable and flexible deliveries of products with high-quality services.

Operational Data

Our technological innovation capabilities, combined with a set of intelligent robot visual perception product matrix, intelligent robot technical scalability and the full-cycle “R&D–production–sales–operation–service” management system have earned us brand recognition and customer trust. During the Track Record Period, our customers included seven of the world’s top ten household service robot companies and all of the world’s top five commercial service robot companies, according to CIC. In 2023, 2024 and 2025, our revenue generated from seven of the world’s top ten household service robot companies amounted to RMB60.6 million, RMB146.7 million and RMB201.2 million, respectively. Our revenue generated from the world’s top five commercial service robot companies amounted to RMB1.6 million, RMB0.7 million and RMB4.5 million, respectively, during the same period. Our group customer retention rate reached approximately 84.0% in 2023 and further increased to approximately 90.0% in 2024. We recorded a customer retention rate of 100.0% in 2025. In addition, our group customer net dollar retention rate reached approximately 113.0% in 2023 and further increased to approximately 145.0% in 2024. We also recorded a group customer net dollar retention rate of 133.0% in 2025.

Our Development Path

Focusing on intelligent robot visual perception as the entry point, we identify diverse needs in the developing robotics industry, emerging sectors in vertical scenarios and pursue our mission to improve life quality through technology.

First Growth Curve

Visual perception technologies and products represent the first growth curve of our business. We believe that visual perception technology is one of the core technologies for the application and continuous development of intelligent robots. Accordingly, we have been focusing primarily on the research and development of visual perception technologies and products for intelligent robots. We launched our first-generation of LiDAR and simultaneous localization and mapping (SLAM) algorithms in 2018 and the world's first consumer-grade Mini DToF LiDAR in 2020, which enabled us to expand the application of our advanced intelligent robot visual perception technology in various sectors. With our robust R&D capabilities and extensive experience in intelligent robot applications, we have gradually developed a range of visual perception products and enhanced AI spatial algorithms for mass-produced intelligent robots, creating a solid foundation of intelligent robot perception infrastructure. In 2025, our visual perception technologies empowered over nine million units of intelligent robot products, marking a significant milestone for the first growth curve of our business.

Second Growth Curve

Intelligent robot lawn mowers constitute the second growth curve of our business. Leveraging years of expertise in visual perception technology and self-developed general-purpose robotics R&D platforms, we have gradually extended our business downstream and developed capabilities for the R&D, design and mass production of complete intelligent robots. Through research on technology and product trends, compatibility testing of key technologies with practical use cases and assessment of market potential, we identified our entry point into complete intelligent robots to begin with intelligent robot lawn mowers. Our market research showed significant potential for robot lawn mowers, especially in Europe, North America and Australia. We applied our accumulated visual perception technologies into our first-generation intelligent robot lawn mowers, achieving mass production and sales of over 10,000 units in 2024. Through continuous technological innovation and product iteration, we achieved mass production of our second-generation intelligent robot lawn mowers in 2025, integrating our AI-powered scenario recognition and boundary detection algorithms to enhance adaptability and environmental perception. Leveraging first-mover technology, products and industry insights, we are rapidly expanding our overseas business with intelligent robot lawn mowers, creating our second growth curve.

Growth Achievement

As a result of our business growth, we achieved rapid increase in revenue from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025, representing a CAGR of approximately 64.4% from 2023 to 2025.

OUR COMPETITIVE STRENGTHS

We continue to strengthen our competitive edge to enhance our market position. Our success is attributed to the following competitive strengths, which we believe will continue to drive our future development.

We are a robotics company focusing on visual perception, possessing a set of capabilities from underlying technology R&D to advanced application implementation and offering a wide range of intelligent robot LiDAR products. Since our establishment, we have continually driven product innovation through robust technology development and rapidly realized commercialization and enhanced economies of scale by deeply cultivating market demand and scenario applications. Our visual perception technologies empowered over nine million units of intelligent robots in 2025.

As an enterprise handling key processes of intelligent robot infrastructure, we play a significant role in the overall industrial chain of intelligent robots. According to CIC, we are among the first providers globally to commercialize consumer-grade Mini DTOF LiDAR, line laser radar for robots and possess core technologies in the intelligent robotics sector with presence in the overseas.

With years of experience in the intelligent robotics industry, we have offered advanced product technology and gained a recognized market reputation. We have received several honors including the 2025 Specialized and Innovative Key “Little Giant” Enterprise (專精特新重點“小巨人”企業) at national level, the 2024 Manufacturing Single Champion Enterprise of Guangdong Province (廣東省製造業單項冠軍企業), the 2024 Shenzhen Intellectual Property Leading Enterprise (深圳市知識產權領軍企業) and Top 50 Leading Enterprises in Strategic Emerging Industries of the Guangdong-Hong Kong-Macao Greater Bay Area (2022) (2022粵港澳大灣區戰略性新興產業領航企業50強).

Solid Technological Advantages and Robust R&D Strength

We are engaged in the R&D of intelligent robot technology and have successfully developed and commenced mass production of a range of visual perception product matrix and AI-powered spatial perception algorithm for intelligent robots. For example, we launched our first-generation of LiDAR and SLAM algorithms in 2018, high-precision solid state linear LiDAR in 2019 and first consumer-grade Mini DTOF LiDAR in 2020. This has established a strong foundation for robotic perception infrastructure, enhancing and broadening robots’ ability to interpret and understand their environment. Leveraging this foundation, we have expanded downstream in the industrial chain, commencing the design, R&D and mass production of intelligent robot products. We have evolved into an intelligent robot enterprise with a wide range of capabilities from underlying technology R&D to product application.

Through independent R&D and practical application, we have also established a multi-modal perception technology system, including various visual perception products and algorithms specific to intelligent robots with core technologies of mapping and positioning, intelligent recognition and AutoPack, a general-purpose R&D platform for robots.

- *Mapping and positioning.* To suit different application scenarios, we have created multiple mapping and positioning systems compatible with various sensors, including single-line and multi-line LiDAR, single-point LiDAR, depth cameras and vision cameras.
- *Intelligent recognition.* During mapping, we use neural networks to extract semantic information and divide map areas accordingly, producing block maps with semantic labels that enable our products to adjust their work modes intelligently. By employing large language models and visual language models, we equip intelligent robots with the ability to understand environmental semantics. Combining this with positioning information, we construct visual semantic maps to enhance user experience.

- *Robot R&D platform.* Through our self-developed AutoPack, we offer mobile solutions for intelligent robots in a “platform + customization” mode that is efficient and cost-effective. Through modular selection, AutoPack can adapt to various sensors, conduct rapid solution configuration and gradually cover all business-related downstream aspects of the solution. AutoPack significantly reduces our product development time, improves R&D efficiency, lowers R&D costs and provides customers with a standardized, low marginal cost, end-to-end service from the product requirements document to the production line.

We drive product iteration and upgrades through constant independent R&D and innovation. As of the Latest Practicable Date, we had over 300 major patents, among which over 70 were invention patents, and 20 major software copyrights in AI and intelligent robotics. As of the same date, we also had over 200 major patents under application.

Product Commercialization to Empower Various Vertical Scenarios

With the rapid development of intelligent robot application in household services, healthcare and elderly care, the commercialization of household and commercial intelligent robots has accelerated. Focusing on visual perception technology, we developed a robust infrastructure for diversified intelligent robots. During the Track Record Period, we served seven of the top ten household service robot brands and all of the top five commercial service robot brands worldwide. We also shipped approximately 24.0 million units of sensors, algorithm modules and intelligent robot lawn mowers during the Track Record Period. In addition, we have successfully developed our first complete intelligent robot products, namely the robot lawn mowers. Our innovation of robot lawn mowers is based on our proprietary multi-modal perception technology, AI-driven intelligent algorithms and thorough understanding of various cleaning scenarios. Our robot lawn mowers demonstrate superiority over comparable products on the market, particularly in intelligent perception capabilities such as positioning and mapping, intelligent perception and path planning. Following nearly three years of dedicated design, R&D and technological advancements, we have developed an intelligent robot lawn mower that is truly plug-and-play. See “—Our Product Portfolio—Robot Lawn Mowers.”

Our innovative product portfolio and efficient commercialization have earned us recognition from our customers. In 2023, 2024 and 2025, we served 167, 146 and 143 robot-related enterprises, respectively. As of the Latest Practicable Date, we had served over 300 robot-related enterprises worldwide since our inception. In 2023, 2024 and 2025, our group customer retention rates were approximately 84.0%, 90.0% and 100.0%, respectively, and group customer net dollar retention rates were approximately 113.0%, 145.0% and 133.0%. We believe that we can increase our sales volume, market share and brand influence by continuing to expand our product categories and enhancing empowerment in specific vertical applications, particularly to meet the demands for best-selling intelligent robots within niche segments.

Agile Supply Chain System Empowering Intelligent Robotics Industry Chain

We have adopted a self-built and cooperative “1+N” delivery model to establish a stable and flexible production and supply chain system, covering the entire process from procurement, manufacturing, logistics to final delivery. This allows us to meet diverse customer demands promptly and sufficiently while effectively controlling costs, ensuring high product quality and competitive pricing. By building our own factories, we independently complete the manufacturing process with high technological barriers, guaranteeing stable and high-quality output. We optimize our production processes using customized automation,

advanced technologies and automated testing fixtures to reduce costs, enhance efficiency and ensure quality. Furthermore, we have established collaborations in Vietnam to enhance our production capacity to help meet overseas demand.

For manufacturing with lower technological barriers, larger plant space requirements and higher labor demands, we collaborate with other manufacturers to increase flexibility and agility of our production and supply chain. We also maintain strong relationships with key upstream suppliers. We have established long-term and stable strategic partnerships with key upstream suppliers, building a highly resilient supply chain system through collaborative technology development, capacity binding and risk-sharing mechanisms. Our agile supply chain enables us to meet peak holiday and seasonal demand effectively, boosting market share and brand reputation. On the technical side, we engage in joint research and development with suppliers to ensure that the performance of critical components aligns precisely with product requirements. In terms of business collaboration, we secure supply stability through long-term agreements and inventory management models. Additionally, we have implemented flexible cost adjustment mechanisms and shared demand platforms to address market fluctuations. Our partnership has enabled us to consistently access priority resources and maintain a competitive advantage amidst supply chain risks.

Fueling Our Second Growth Curve with Robot Lawn Mowers

Robot lawn mowers have become the key driving force for our overseas business expansion and experienced rapid growth in overseas markets, helping us effectively establish our second growth curve. According to CIC, there are approximately 250 million yards worldwide in 2024, with families needing to mow their lawns two to three times per month on average, demonstrating significant demand for intelligent robot lawn mowers. In overseas markets where manual mowing costs are particularly high, such as Europe, North America and Australia, customers have a pressing need to replace manual trimming with intelligent robot lawn mowers. According to CIC, global sales volume of intelligent robot lawn mowers reached approximately 383,500 units in 2024, with a market size of RMB6.1 billion. Additionally, TAM for intelligent robot lawn mower is expected to exceed RMB300.0 billion when intelligent robot lawn mowers completely replace traditional lawn mowing machines and traditional robot lawn mowers, according to CIC.

In view of such market potential, we rapidly set our footprint in overseas market by offering robot lawn mowers. We successfully developed our first-generation robot lawn mower in 2023 and commenced mass production in 2024. Additionally, we successfully developed the second-generation robot lawn mower at the end of 2024 and commenced mass production in early 2025. From the beginning of 2025 to the Latest Practicable Date, we had sold more than 54,000 units of robot lawn mowers, evidencing strong demand and market potential of the product. We have set overseas business growth as our long-term development priority, and we aim to gradually build our overseas brand recognition. We are setting up operation centers in Singapore, Hong Kong and Germany to be more accessible by consumers. Given that Germany is one of the largest consumer markets for robot lawn mowers in Europe, it will serve as our hub for European market expansion.

Experienced Management Team with Strong Support from Our Top Tier Investors

Our success is attributed to our experienced management team. Mr. Zhou Wei, our co-founder and chairman, possesses profound insights in the robotics industry, extensive management experience and a track record of successful serial entrepreneurship. He holds significant influence in the field of intelligent robots. Mr. Zhou was honored as one of “Forbes China’s 30 Under 30 Entrepreneurs in 2015” and a Young Leader of Strategic Emerging Industries (戰略性新興產業青年領袖) in the Greater Bay Area in 2022. Mr. Guo Gaihua, our

co-founder and general manager, is also a serial entrepreneur in the field of robotics, with extensive expertise in technology and industry. Mr. Guo previously served as the Principal of Guangdong Province's Key Technology Research Projects (廣東省重點技術攻關項目負責人) and an expert on the committee of the Shenzhen Artificial Intelligence Industry Association (深圳市人工智能行業協會).

We have established a cohesive management team, with core members possessing exceptional professional capabilities and extensive industry experience in various fields such as technology, product development, market development, finance and operation management, averaging over 10 years of expertise in their respective fields. Under the leadership of our management team, we have attracted diverse professional talents to join us and devote themselves to advancing the intelligent robotics industry.

Since our establishment, we have attracted renowned institutional investors, such as Source Code Capital, Vision Plus Capital, Hua Capital, Shenzhen High-tech Investment and CICC Capital. As our key institutional shareholders, they have consistently offered strong support and a range of resources, including strategic insights and industry expertise, enabling us to continuously achieve innovations.

OUR STRATEGIES

To support our long-term growth, we have formulated the following key development strategies:

Strengthen R&D Capabilities in Visual Perception Technologies and Gradually Achieve Full-scale Empowerment through AI

We aim to strengthen our AI-driven perceptual intelligence R&D efforts. Through AI-enhanced visual perception technology, our goal is to enable robots to achieve full-chain capabilities of environmental understanding, autonomous decision-making and precise execution. This advancement will promote the leap from automation to cognition for household, commercial, industrial and other innovative robots.

To achieve scene-based intelligent navigation and decision-making for robots, we aim to develop an integrated AI-VSLAM technology and a semantic navigation technology framework. These frameworks will thoroughly optimize our technical architecture, creating a complete technological pathway from visual perception to autonomous execution. In terms of hardware, we plan to increase our investment in computational hardware to build a robust computing infrastructure while enhancing our cloud service deployment and computing facilities. In terms of AI algorithm development, we plan to prioritize the development of robots' environmental understanding and autonomous decision-making abilities. We will also upgrade internal algorithm platforms and expand our AI research team through active recruitment to enhance collaborative R&D efforts and execute our strategies.

Sensors are critical components in the visual perception technology of intelligent robots, as their performance directly defines the robots' limits. We will continue to focus on developing customized chips for robotics across various application scenarios. We intend to enhance resistance to interference in strong-light environments by optimizing chip architecture, thereby improving the operational stability of intelligent robots. We also plan to improve the processing ability of high-density photon scenarios to significantly boost ranging precision and reliability while ensuring high performance, reducing hardware costs and mitigating pile-up effects.

We are committed to building a more integrated technology ecosystem through the iterative upgrade of our AutoPack, the general-purpose robotics development platform. Based on modular architecture, this platform employs standardized hardware interfaces and

middleware to deeply integrate multi-modal perception technology with motion control algorithms, dynamic path planning and other advanced AI decision-making systems. We aim to refine this platform and achieve plug-and-play compatibility for algorithm modules, dynamic allocation of computational resources and quick adaptations for diverse applications, such as household services, industrial automation, intelligent logistics and commercial services, and thereby creating a standardized technical solution with industry-wide applicability.

Iterate Our Visual Perception Product and Solutions and Explore Complete Robot Products in Vertical Applications

Driven by market demand, we plan to continuously refine our existing product line of intelligent robot visual perception technologies to meet market needs, strengthen product differentiation and sustain business growth. We focus on developing all-in-one radar solutions with higher integration and merging traditional SLAM and obstacle avoidance requirements. These advancements will enhance the sensors' performance and at the same time reduce their size and cost. We are actively integrating AI techniques into our sensor products. For example, we are currently developing an AI-based material detection sensor, which adopts AI algorithm and goes beyond the limitations of traditional RGB cameras to detect the nature of surface material, enabling detection of floor stains and assessing the health of lawns. Through optical-algorithm synergistic innovation, we aim to significantly enhance the usability of visual systems in extreme environments, redefine the boundaries of visual perception and expand the application scenarios for intelligent robots.

To diversify our visual perception technology matrix and reach new markets, we will strategically develop a product line of novel visual perception technology products to drive industry advances and strengthen global competitiveness. Our new product line will cover cutting-edge products such as neuromorphic vision sensors, event cameras and biomimetic tactile sensors. To ensure efficiency and quality during development, we will invest in advanced R&D equipment and professional software systems, enabling an end-to-end development process from design to testing. We will also hire technical talent to build cross-disciplinary R&D teams aiming for faster iteration and commercialization of advanced sensing technologies.

Developing complete intelligent robots in vertical applications is a key step in our pursuit of moving up the value chain, allowing us to directly deliver robust solutions to end users. The global intelligent robot market represents significant growth potential. According to CIC, the global intelligent robot market is expected to expand from RMB369.0 billion in 2024 to RMB1,005.8 billion in 2029, with a CAGR of 22.2% between 2024 and 2029. We have entered and intend to further enhance our presence in the intelligent robot industry through intelligent robot lawn mowers. According to CIC, the global market of intelligent robot lawn mowers holds substantial potential, particularly in view of a penetration rate of less than 2.0% in 2024. With simultaneous advancements in technology and market demand, global shipments and adoption rates of intelligent robot lawn mowers are expected to surge, with penetration projected to exceed 17.0% by 2029, representing a market potential exceeding RMB300 billion. We will continue to improve the technical capability and industry competitiveness of our robot lawn mowers. We intend to improve adaptability to diverse environments, safety assurance and battery life of our robot lawn mowers through strengthened proprietary sensing configurations, upgraded AI algorithms and integrated next-generation energy systems. Based on the core application of intelligent lawn mowing, we intend to expand into a full-suite lawn care system covering tasks such as aeration, irrigation and pest control. This initiative will build an intelligent garden maintenance ecosystem. Additionally, we aim to transcend single-purpose applications by expanding the functionality of robot lawn mowers to snow removal, leaf cleaning and other multi-seasonal garden maintenance scenarios. Through

innovation and ecosystem integration, we seek to provide all-encompassing, year-round smart garden care solutions. These developments will not only bolster customer engagement and strengthen our brand's value but also expand market opportunities, unlocking greater commercial growth.

We will also strategically invest in the development of intelligent robotic systems across diverse domains. Such strategy will enable us to broaden business boundaries and capture strategic positions in the future intelligent robotics industry.

Deepen Our Global Strategy and Expand Worldwide Customer Base

Our globalization strategy is essential for overcoming domestic market growth bottlenecks, unlocking new growth opportunities and enhancing our brand's overseas influence. We will continue to prioritize brand-driven global strategic expansion by establishing localized subsidiaries and teams in key markets. This will enable us to deeply understand regional demand and address overseas challenges such as cultural barriers and prolonged responsiveness. For instance, we have successfully expanded into the German market and established local distribution channels. We completed prerequisite registration in Germany and aim to establish a local operation team. Establishing Germany as a strategic hub for European expansion, we intend to gradually enter additional high-value international markets in the future. We experienced significant growth in overseas sales in 2025, with overseas revenue increasing from RMB18.6 million in 2024 to RMB137.5 million in 2025.

We will further improve our overseas sales network. This strategy involves enhancing cooperation with reputable overseas distributors and integrating resources from our direct-to-consumer platform, third-party e-commerce platforms and offline channels. We have assembled a seasoned marketing team with strong capabilities in overseas market expansion and international experience. We now have established an overseas marketing team of over 50 people. The online marketing team consists of members with rich business backgrounds and independent expertise in different marketing segments, while the offline team comprises individuals with a successful track record of scaling up businesses. Together, the teams are responsible for the company's overseas intelligent hardware business operations. Relying on our strong team, we plan to continue focusing on cross-border e-commerce platforms such as Amazon, improving multilingual user experience on our direct-to-consumer platform and achieving synergistic growth in brand exposure and sales conversion. This strategy also involves strengthening our localized service capabilities by establishing a robust service system, including pre-sales technical support and after-sales maintenance. Efforts will also be made to form long-term partnerships with leading international intelligent robotics and manufacturing brands, becoming core suppliers to achieve technological synergy and market penetration.

In the competitive landscape of the global market, particularly in regions like Europe and North America where premium brands dominate consumer perceptions, strong brand influence and deeply resonating brand image are critical. We plan to implement a global brand and marketing strategy to support our positioning as a technology-focused manufacturer of high-quality, reliable products. Recognizing variations in regional market characteristics, we will implement differentiated brand-building initiatives, including localized marketing efforts tailored to these regions. By participating in international robotics industry exhibitions, academic conferences, and other high-end events, we will demonstrate our core technological strengths and product advantages. We will develop a multi-layered digital marketing system, extending from precise online advertising to offline experiential marketing and from

endorsements by key opinion leaders (KOLs) to consumer-level viral marketing campaigns by key opinion consumers (KOCs). This approach seeks to establish a multi-channel, multi-touchpoint and closed-loop marketing ecosystem underpinning both brand awareness and user engagement on a global scale.

Continue to Optimize and Expand Production to Support Large-scale Shipments

Optimizing production capacity and expanding output are vital to supporting our scalable development goals. As our product lines increase and global order volumes grow, we are committed to continuously improving supply chain stability and production efficiency to meet increasing customer demands for product quality and delivery speed. We will promote the upgrade of both production processes and equipment, persistently advancing the level of digital intelligent manufacturing. Such promotion will reduce labor costs, improve product consistency and increase product yield rates, thereby building our core competitiveness in digital manufacturing.

We will continue to introduce various intelligent production equipment and assembly lines and, together with software systems, lay out our intelligent factory solutions. This approach will allow us to manage the entire production lifecycle, from raw materials to finished products. Specifically, we plan to establish intelligent production bases in key market regions based on global business plans and specific development needs to strengthen our control over core manufacturing processes and improve the autonomy and reliability of our supply chain.

Furthermore, we will continue to attract engineering and technical talent, refine the internal supply chain management system and enforce stringent quality control standards at every stage of manufacturing. By refining production processes, enhancing automation levels and strengthening digital management, we aim to create a technologically advanced, responsive modern manufacturing system and achieve three objectives of increasing production efficiency, optimizing cost structures and enhancing product quality. This will reinforce our manufacturing advantages and generate greater value for our customers.

OUR BUSINESS MODEL

We are a robotics company focusing on visual perception, possessing a wide range of capabilities ranging from foundational technology research to real-world application, offering a set of intelligent robot visual perception technology products and complete intelligent robot products. Since our establishment, we have continually driven product innovation through robust technological development and launched a wide variety of novel products. Specifically, our product portfolio includes the following categories:

- *Visual perception products.* Our visual perception products include sensors and algorithm modules:
 - *Sensors.* Visual perception serves as the most important perception system—the “eyes”—of intelligent robots. Through multi-modal environmental sensing, real-time 3D modeling and precise target recognition, sensors enable robots to better understand the world. Sensors allow robots to measure distances accurately, detect obstacles and reconstruct 3D information of the surroundings. By integrating multiple sensors, we eliminate the blind spots inherent to single sensor, significantly improving a robot’s precision in positioning, navigation reliability, operational efficiency and safety in dynamic environments.

Sensors also form the foundation for robots' autonomous decision-making and are critical to the large-scale application of intelligent robots across various service scenarios. They directly determine the robots' adaptability to environments, task execution accuracy and generalization ability across different scenarios.

Building on years of expertise in visual perception technology and validation across multiple scenarios, we have developed an extensive portfolio of intelligent robot visual perception technology products in the industry, according to CIC. Our product line includes DTOF LiDAR, triangulation LiDAR, solid state line LiDAR, single point LiDAR, 3D structured light sensors, ultrasonic sensors and QuadVision sensors. These products can be highly customized to fit diverse mobile robot scenarios. Through continuous iterations of sensing algorithms and product design, we provide robots with highly reliable and adaptable visual perception infrastructure.

- *Algorithm Modules.* With our accumulated profound technologies in visual perception and mobility intelligent algorithms, we have developed dedicated algorithm modules with various spatial sensing capabilities for intelligent robotics. Our algorithm modules incorporate a variety of algorithms, equipping robots with precise spatial awareness and mobility in complex environments. By integrating sensors and algorithm modules, we also provide a variety of robotic spatial perception solutions, namely the AI solutions, intelligent inertial navigation solution and the standard laser distance sensor (LDS) solution. These solutions are highly adaptable to different environments, demonstrating exceptional stability and enabling robots to better understand and interact with the physical world.
- *Robot lawn mowers.* Our robot lawn mowers provide a smart solution to make lawn care easy and efficient. They incorporate advanced technology to handle manual tasks of lawn mowing, allowing users to enjoy a neatly trimmed yard with minimal effort. Leveraging our self-developed sensors and AI algorithm, our fully automatic robot mowers can handle the practical challenges of yard maintenance, significantly enhancing lawn care experience and making outdoor time more enjoyable and fulfilling.

The following table sets forth a breakdown of our revenue by product category during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Visual perception products			
Sensors	167,297	340,572	434,683
Algorithm modules	106,858	98,706	171,769
Robot lawn mowers	63	23,272	136,896
Others ⁽¹⁾	2,344	4,795	4,425
Total	276,562	467,345	747,773

Note:

- (1) Others mainly refer to revenue generated from the sales of spare parts and consumables.

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The following table sets forth a breakdown of our revenue generated from visual perception products by applications during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
By applications			
Household	268,710	434,491	589,569
Commercial	2,034	1,932	11,990
Industrial	1,409	740	1,475
Others	2,003	2,115	3,418
Total	274,155	439,278	606,452

The following table sets forth a breakdown of our average selling price by product category during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(RMB per unit)		
Visual perception products			
Sensors	61.9	48.9	42.3
Algorithm modules	130.1	98.3	77.6
Robot lawn mowers	2,722.0	2,297.1	3,794.3

The following table sets forth a breakdown of our sales volume by product category during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	(units)		
Visual perception products			
Sensors	2,702,497	6,958,339	10,287,358
Algorithm modules	821,064	1,004,541	2,213,741
Robot lawn mowers	23	10,131	36,079

Note: sales volume does not apply to “others” under revenue because it includes services such as technical maintenance and support, which are not quantified in units.

In each of 2023 and 2024, substantially of our revenue were generated from mainland China. Our revenue from overseas sales increased significantly in 2025. The following table sets forth our revenue by geographical locations for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Mainland China	275,851	99.7	448,781	96.0	610,275	81.6
Overseas	711	0.3	18,564	4.0	137,498	18.4
Total	276,562	100.0	467,345	100.0	747,773	100.0

OUR PRODUCT PORTFOLIO

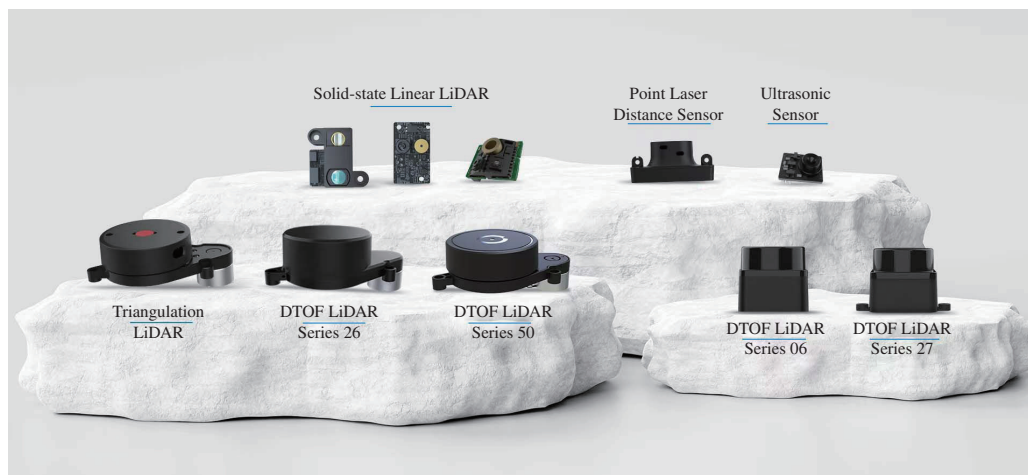
Visual Perception Products

Sensors

Our sensors serve three main functions: (i) locating and mapping using SLAM and VSLAM technologies, which enable a device to simultaneously map an unknown environment and track its location within that environment. This is crucial for navigating spaces autonomously without pre-existing maps; (ii) environment and object recognition, namely, perceiving and understanding robots' surroundings in real time and accurately identifying objects within the environment. This enables robots to adopt work modes better suited to its environment and navigate obstacles more precisely and promptly; and (iii) material detection and identification, which detects intensities of ultrasonic waves returned and identifying type of surface materials, allowing the robots to adjust working strategies accordingly.

Our sensors are versatile and can be applied to various mobile robots. They enhance the functionality of household intelligent robots, such as robotic vacuums, service robots and lawn mowers, by enabling precise mapping, obstacle avoidance, navigation and material identification. In commercial settings, they support robots used for restaurant service, room service delivery and cleaning tasks. For industrial logistics robots, they optimize navigation and operations in warehouses and factories. Additionally, our sensors are used in innovative applications, such as drones and quadrupedal robot dogs, enabling tasks including remote security inspection and protection.

We categorize our sensors into the following product categories: (i) direct time-of-flight (DToF) LiDAR, (ii) triangulation LiDAR, (iii) point laser distance sensor, (iv) solid state linear LiDAR, (v) ultrasonic sensor and (vi) QuadVision sensors module. The picture below sets forth our main product offerings:



BUSINESS

The following table sets forth the measuring method or technique, application scenarios and launch year of our sensors:

	Measuring Method/Technique	Application Scenarios	Launch Year
DTOF LiDAR	Through light pulse travel time	Widely applicable in household, commercial and industrial robots and used for positioning, mapping and obstacle avoidance and identification	2020
Triangulation LiDAR .	By triangulation measurement Technique	Typically adopted in robotic vacuum cleaner and used for positioning and mapping	2018
Point laser distance sensor	Through time-of-flight, that is the wave travel time	Typically adopted in robotic vacuum cleaner and used for positioning and mapping	2021
Solid state Linear LiDAR	By linear-structured light technology	Typically applied in household and commercial robot and used for obstacle avoidance	2019
Ultrasonic sensor	Through intensities of ultrasonic waves	Mainly applied in robotic vacuum cleaner and used for identification of surface material	2021
QuadVision sensor module	Installing four cameras into a single sensor module to detect environment for mapping and positioning	Typically applied in robot lawn mowers and used for positioning, mapping and obstacle avoidance and identification	2024

In addition, the following table sets forth the key features, key technical specifications and application scenarios of our DTOF LiDAR:

	Series 06/Mini DTOF LiDAR	Series 26	Series 50	Series 27
Key features.	Miniaturized and smallest size with high ranging accuracy	Triangular shape with high ranging accuracy	Compact size and simplified structure leveraging coaxial optical design	Enhanced ranging capabilities

BUSINESS

	Series 06/Mini DToF LiDAR	Series 26	Series 50	Series 27
Range (m)	0.03–12	0.04–12	0.03–8	0.03–25
Scanning frequency (hertz) ⁽¹⁾	6–13	2–8	2–8	6–13
Accuracy ⁽²⁾	±10mm (0.1m to 0.5m) ±15mm (0.5m to 2m) ±30mm (≥ 2m)	±8mm (0.1m to 0.5m) ±15mm (0.5m to 2m) ±30mm (2m to 8m)	±10mm (0.1m to 0.5m) ±15mm (0.5m to 2m) ±1.5% (≥ 2m)	±12mm (0.03m to 2m) ±20mm (2m to 8m) ±30mm (≥ 8m)
Light resistance (lux)	80,000	80,000	60,000	60,000
Lifespan (hour)	3,000–10,000	2,200	2,200	10,000
Applications	Cleaning, food delivery, hotels, logistics, security, inspection robot etc.	Primarily in household cleaning robot	Primarily in household cleaning robot	Cleaning, food delivery, hotels, logistics, security, inspection robot etc.

Notes:

- (1) Scanning frequency refers to the number of complete scans performed by a LiDAR sensor per second, typically measured in hertz. The higher the LiDAR scan frequency, the better the real-time performance and the greater the point cloud density.
- (2) Accuracy is indicated by the range of potential deviation. Lower number of deviation range indicates higher accuracy.

DToF LiDAR

Direct Time-of-Flight (DToF) LiDAR measures the exact time a light pulse takes to travel from the sensor to an object and return. The sensor sends out a light pulse aimed at an object and then times how long that light takes to hit the project and bounce back to the sensor. The direct measurement allows DToF LiDAR to achieve high accuracy and reliability in distance calculations across various environments, even those with challenging lighting conditions.

Leveraging our self-developed advanced algorithm and production techniques, we are able to achieve a 40% reduction in LiDAR size and a 25% reduction in power consumption. According to CIC, we ranked first among providers of intelligent robot visual perception technologies in terms of shipment volume of DToF LiDAR in 2024. Details of our major DToF LiDAR series are set forth below.

DTOF LiDAR — Series 06/Mini DTOF LiDAR

Our DTOF LiDAR Series 06 has achieved a breakthrough of radar miniaturization. It is the world's first commercialized consumer-grade Mini DTOF LiDAR, according to CIC. Its application in robotic vacuums represents a pioneering advancement. Its other key features are set forth below:

- *Time of Flight (TOF) ranging technology.* The DTOF LiDAR Series 06 incorporates advanced TOF ranging technology, enabling a 360° laser scan with a range of 0.03 to 12 meters. This facilitates superior environmental awareness, meeting critical functional needs such as robotic navigation, high-precision mapping and obstacle detection and avoidance.
- *Compact size and design.* The DTOF LiDAR Series 06 features a compact design, small size and lightweight construction, making it suitable for small-scale robots. As the demand for robots in various applications continues to grow, miniaturization has become a key optimization focus. Compact LiDARs can be effectively integrated into tight spaces, providing robots with high-precision sensing and navigation capabilities with reduced energy consumption and hardware weight, making them better suited for operations in complex environments.
- *High ranging accuracy.* Using laser pulse flight time measurement, the DTOF LiDAR Series 06 achieves exceptional mapping precision. Within the close-range distance of 0.1 to 0.5 meters, the device maintains a remarkable ranging accuracy of deviation less than ± 10 mm, leading to reliable performance in spatially demanding conditions.
- *Advanced anti-interference ability.* The DTOF LiDAR Series 06 utilizes advanced TOF technology paired with state-of-the-art filtering processes. This enables the device to effectively operate in environments with strong light exposure, resisting interference from light intensities of up to 80,000 lux, making it highly adaptable to various settings.

DTOF LiDAR — Series 26

Our DTOF LiDAR Series 26, designed in triangular shape, is a more optimized alternative solution to seamlessly replace triangulation LiDAR in various robots without any structural modification. Its key features are set forth below:

- *High ranging accuracy.* The DTOF LiDAR Series 26 delivers exceptional millimeter-level accuracy for close-range measurements, achieving a ranging accuracy of deviation less than ± 8 mm within a distance range of 0.1 to 0.5 meters. This precision enables detailed recognition of environmental contours for improved object detection and navigation.
- *Advanced anti-interference ability.* Based on the TOF technology and first-class filtering processing technology, DTOF LiDAR Series 26 maintains stable performance even in strong light environments with intensities up to 80,000 lux, thus enabling it to work efficiently in indoor and outdoor context.
- *Enhanced safety standards.* Designed with user and pet safety in mind, the DTOF LiDAR Series 26 uses a low-power infrared laser transmitter as its emission light source. The laser operates through modulated pulses, completing the emission process in a very short duration.

- *Compatibility with triangulation LiDAR.* Offering high reliability, the DTOF LiDAR Series 26 is compatible with triangulation LiDAR without the need for additional structural adjustments. This compatibility makes it an ideal upgrade while ensuring ease of integration with existing systems.
- *Integrated dust cover design.* Featuring a one-piece dust cover, the DTOF LiDAR Series 26 substantially reduces debris entanglement. This integrated design ensures the device operates consistently in dusty or debris-prone environments, contributing to its longevity and low-maintenance advantage.

DTOF LiDAR — Series 50

Our DTOF LiDAR Series 50 is our latest DTOF LiDAR series, which features a streamlined coaxial optical design, enabling the device to be more compact and efficient. Its key features are set forth below:

- *Miniaturized size leveraging coaxial optical design.* The DTOF LiDAR Series 50 is engineered to meet the needs of increasingly compact robotic vacuums. It employs a simplified coaxial optical design, featuring just one printed circuit board assembly (PCBA) compared to two to three PCBAs typically used by competitors. This reduction in components improves cost efficiency and suitability for slimmer robots.
- *Accurate range measurement.* DTOF LiDAR Series 50 delivers close-range and millimeter-level precision ranging accuracy and 0.5° angular resolution for more detailed mapping and obstacle avoidance.
- *Automated manufacturing techniques.* Unlike competitors that generally rely on manual adjustments during production, we offer DTOF LiDAR Series 50 with automated adjustment focusing technique achieved through semiconductor technology. This increases production efficiency, enhances consistency and reduces the potential for human error.
- *Exceptional anti-interference capability.* Using advanced TOF technology and filtering techniques, it operates effectively even in strong lighting conditions, making it highly adaptable to various environments.

DTOF LiDAR — Series 27

Our DTOF LiDAR Series 27 is specifically designed for commercial and industrial intelligent robots. Its key features are set forth below:

- *Enhanced ranging capabilities.* With a detection range of 0.03 to 25 meters, the DTOF LiDAR Series 27 captures environmental data at greater distances. This enhanced range enables superior mapping and detection outcomes, making it ideal for the complex requirements of commercial and industrial applications.
- *Stable and durable performance.* Reliability and durability are critical for commercial and industrial scenarios. The DTOF LiDAR Series 27 incorporates a co-axial brushless motor that delivers stable performance throughout its lifespan of up to 10,000 operational hours. Its reliability ensures consistent efficiency over long periods, reducing downtime.
- *High precision.* Our DTOF LiDAR Series 27 can accurately perceive the contours of the environment, supporting real-time detection of road conditions and dynamic obstacle avoidance, while effectively reducing navigation blind spots and ensuring smoother operations.

Triangulation LiDAR

Triangulation LiDAR is a type of LiDAR that employs triangulation measurement technique to measure distances and create precise spatial maps. Triangulation LiDAR provides accurate distance measurements and can capture fine details, making it ideal for scenarios where precision is critical.

Triangulation LiDAR sensor is our first sensor that went into mass production. We have continuously enhanced our triangulation measurement technology to improve its precision and reliability. Leveraging our advanced engineering and calibration techniques, our triangulation LiDAR is able to achieve precision of deviation within $\pm 1\%$. Our triangulation LiDAR can also reduce production costs to enable more cost-effective deployment in diverse and complex household environments where adaptability is essential. With an annual shipment volume of over one million units during the Track Record Period, our triangulation LiDAR sensors are widely used by leading robotic vacuum brands.

Point Laser Distance Sensor

Our point laser distance sensor measures distance using time-of-flight calculations, mapping through the robot's own rotation and positioning with an odometer. It targets specific locations or objects, providing precise distance data. This simplicity makes it cost-effective and suitable for applications where broad environmental mapping is not necessary.

Solid State Linear LiDAR

Solid state linear LiDAR offers millimeter-level measurement accuracy by emitting laser beams at fixed angles, which are reflected off obstacles and captured by its receiving lens. Solid state LiDAR accurately detects tiny obstacles and edge obstacles and is widely utilized in robots for precise obstacle avoidance.

Our solid-state LiDAR offers high-precision obstacle detection using linear-structured light technology, with a detection accuracy reaching deviation less than $\pm 2.0\text{mm}$ and reliability of obstacle avoidance enhanced by 50%. This technology allows our sensors to identify small objects, such as wires or other millimeter-size items, which are often overlooked by devices using traditional technology.

The key features and advantages of our solid-state linear LiDAR are set forth below as an example:

- *Accurate distance measurement and wide field of view.* Our solid-state linear LiDAR offers a measuring range up to 400mm for precise obstacle avoidance. It also features a field of view of 110° , enabling accurate close-range object detection to enhance obstacle avoidance efficacy in both wide and narrow channels.
- *Compact size and long service life.* Our solid-state linear LiDAR allows easy integration and space-saving, improving the robot's passability and offering a stylish design that enhances user experience. It also shows stable performance with high-speed wireless data transmission and offers a service life of up to 10,000 hours.

Ultrasonic Sensor

Our ultrasonic sensor identifies different surface materials based on the intensities of ultrasonic waves returned. Designed primarily for robotic vacuums, ultrasonic sensors accurately detect floor materials and automatically adjust cleaning modes to implement intelligent cleaning.

The key features and advantages of our ultrasonic sensor are set forth below:

- *Material identification via ultrasonic echo.* Our latest ultrasonic sensor detects the energy differences in ultrasonic echo signals reflected off various surfaces to identify materials. Designed primarily for robotic vacuums, these sensors detect floor materials like carpets and automatically adjust the cleaning strategy to implement intelligent cleaning based on the obtained ground information.
- *Compact design for versatile installation.* Featuring a small and easily installable design, our ultrasonic sensor offers a simple interface, enabling straightforward integration and applications in short-distance detection.

QuadVision Sensors Module

Our QuadVision sensors module is designed as an integrated solution for robots operating in both indoor and outdoor environments. This module supports three essential sensing capabilities: accurate localization, precise obstacle avoidance and broad perception.

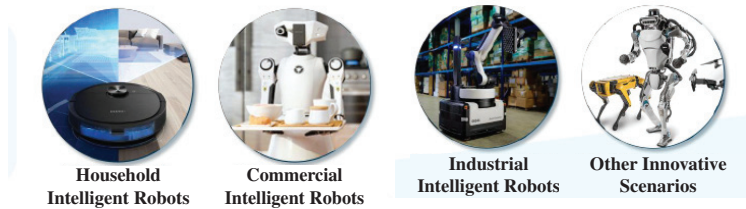
Our QuadVision sensors module utilizes four cameras for mapping and positioning, achieving a field of view exceeding 300°. Robots (such as robot lawn mowers) equipped with this system can operate effectively without relying on additional positioning sensors like LiDAR or GPS. The key features and advantages of our QuadVision sensors module are set forth below:



- *VSLAM visual localization.* The QuadVision sensors module utilizes a four-camera vision system to deliver real-time localization data. Its high-precision VSLAM function facilitates robots to achieve centimeter-level accuracy across a range of environmental conditions. This supports reliable navigation in dynamic landscapes and complex settings.
- *Precision depth measurement.* Using a combination of a front-facing binocular vision system and side-facing monocular vision systems, the QuadVision module performs real-time depth measurements within a 300° field of view. This ultra-wide-angle depth perception allows robots to construct detailed 3D environmental depth maps, navigate with precision, avoid obstacles in real time and follow edges accurately. Within a 1-meter range, the module maintains depth measurement accuracy at the centimeter level, making it ideal for tasks requiring close-range precision.
- *AI-based object recognition.* Equipped with advanced AI recognition models, our QuadVision sensors can identify various object categories in real time, such as animals, plants and surfaces (e.g., lawns, manhole covers and paving stones). This visual perception capability allows robots to adapt their behavior dynamically, avoid obstacles with greater precision and adjust task parameters based on the environment.

Application Scenarios of Our Sensors

Sensor technology has transformed the way robots perceive and interact with their surroundings. By providing precise distance measurements, environmental mapping and real-time spatial awareness, sensors have become a critical enabler of autonomy across a wide range of applications. The primary application scenarios of our sensors are set forth below:



- *Household intelligent robots.* Our sensors enhance the precision and efficiency of household intelligent robots, enabling them to accomplish everyday tasks with high accuracy and autonomy. Specifically, our sensors are deployed in the following categories of household intelligent robots: (i) robotic cleaning vacuums. Sensors allow robotic cleaning vacuums to create accurate maps of home interiors and enable obstacle avoidance, edge following and room-by-room navigation; (ii) service robots. Our sensors support tasks such as organizing, fetching or monitoring within a home environment; and (iii) robot lawn mowers. Our sensors equip robot lawn mowers with the ability to navigate uneven terrains, define boundaries and operate safely around obstacles like trees fences or furniture.
- *Commercial intelligent robots.* In business environments, our sensors help commercial intelligent robots improve efficiency, enhance customer experience and reduce operational costs. Specifically, our sensors are deployed in the following categories of commercial intelligent robots: (i) restaurant service robots. Our sensors enable serving robots to navigate crowded spaces like restaurants, delivering food or beverages while avoiding collisions with people or objects; (ii) room service robots. Our sensors enable serving robots to navigate through hotel hallways, elevators and public spaces safely, allowing items to be delivered efficiently; and (iii) commercial cleaning robots. Our sensors support commercial cleaning robots to conduct large-scale cleaning tasks in offices, malls, airports, nursing homes and hospitals.
- *Industrial intelligent robots.* Our sensors are applied in robots for warehouses and factories, allowing these industrial intelligent robots to navigate shelving systems, avoid collisions and optimize routes.
- *Other innovative scenarios.* Our sensors can also support application in various innovative scenarios, such as drones and robot dogs. Our sensors equip drones with 3D mapping capabilities, enabling them to conduct terrain surveys, monitor infrastructure or navigate autonomously even in GPS-denied environments. Additionally, advanced quadrupedal robots (namely, “robot dogs”) rely on sensors for precise navigation, obstacle avoidance and path planning.

Management of Our Sensor Offerings

We offer various sensor products, which can be installed in different intelligent robots and applied in different scenarios. Some of our sensors have similar features and functions and may be interchangeable in certain products. For example, our Series 26 DToF LiDAR can seamlessly replace triangulation LiDAR in robots without any structural modification. However, we believe cannibalization risks among our sensor products are currently low. Customers consider various factors when choosing among our sensor products, such as application scenarios, measuring range and accuracy and product price. For example, robotic vacuum manufacturers will choose ultrasonic sensors, as the ability to detect surface materials is a key function of robotic vacuums.

We also implemented measures to limit cannibalization risks among our sensor products. First, we aim to achieve a balance between the iteration of new products and a stable lifecycle of existing products. We typically do not launch products with substantially similar functions within the same year. Second, we focus on each customer's individual needs to offer products tailored to such customer's technical and pricing requirement. Lastly, in case of product iteration, we offer tailored customer migration plans to ensure smooth customer experience throughout the transition. During the process, we closely monitor customers' demand, production volume and inventory level to ensure sufficient supply and operating efficiency.

Algorithm Module

We have accumulated profound technologies in visual perception and mobility intelligent algorithms and developed dedicated algorithm modules with various spatial sensing capabilities for intelligent robotics. Our algorithm modules incorporate a variety of algorithms, such as SLAM and VSLAM, path planning, autonomous navigation, AI-based object recognition and obstacle avoidance, boundary detection, material recognition, multi-sensor fusion and motion control.

We provide a variety of robot perception and mobility solutions by integrating algorithm modules with sensors, including AI solutions, intelligent inertial navigation solution and the standard laser distance sensor (LDS) solution. The table below sets forth the key differences among these three solutions:

	AI solution	Standard LDS solution	Intelligent inertial navigation solution
Measuring Module . . .	360-degree rotating LiDAR combined with line laser and RGB camera	360-degree rotating LiDAR	Solid-state laser with a one-degree field of view combined with infrared sensors
Mapping method . . .	Using radar point cloud data and algorithms for real-time map generation	360-degree point cloud capture method with SLAM algorithm	360-degree mapping achieved by rotating the robot with its SLAM algorithm

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	AI solution	Standard LDS solution	Intelligent inertial navigation solution
Technical functions . .	Through straight lines projected by line laser, robotic products equipped with our AI solution can cover a FOV of 120 degrees. In addition, the line laser module on our AI solution is installed to project a wall-following line laser, which emits a vertical line, allowing it to capture height information from the ground to the top of the robotic products.	The 360-degree rotating LiDAR measures distance at all angles with high accuracy. It also supports real-time and accurate creation of maps and localization. This solution is adaptable and scalable, facilitating efficient and flexible customization to meet diverse functional requirements.	The infrared sensor modules are equipped with multiple infrared sensors around the robotic products to detect the distance to obstacles perform path following.
	RGB 3D camera can capture video and image data. By using monocular techniques, it estimates the size and distance of obstacles.		
Features	Robotic products equipped with our AI solution detect real-time distance and will activate collision avoidance feature when distance drops below a triggering threshold.	Robotic products equipped with standard LDS solution will activate collision avoidance feature when distance becomes less than the radius of the robotics products.	Intelligent inertial navigation solution is sensitive to the color of obstacles. As such, its performance varies with differently colored obstacles, resulting in moderate obstacle avoidance and wall-following performance.
	AI solutions make robotic products particularly effective when dealing with low-lying obstacles. It also performs well in wall-following and navigating around posts.	With the 360-degree rotating LiDAR, standard LDS solution achieves effective wall-following performance.	It also addresses challenges such as navigating multi-room layouts and slippery environments.
Processing requirement.	High	Moderate	Moderate
Target product market⁽¹⁾ . .	High-end household robots	Mid-range household robots	Low-end household robots

Note:

- (1) While our algorithm modules can be equipped in commercial and industrial robots, our current target product market is household robots.

Our algorithm modules can be sold either on a standalone basis or bundled with our sensors. It is more cost efficient for our customers to purchase algorithm modules with our sensors to avoid additional time and expenses associated with coordinating, integrating and testing third-party sensors. In view of such efficiency, all of our algorithm module customers also purchased our sensors together with the algorithm modules during the Track Record Period. In addition, our algorithm modules are sold on an off-the-shelf basis with lightweight customization options for our customers. For example, our customers may request adjusting parameters of algorithm modules to fit different sensors or installation positions. Once these customizations are developed, they are incorporated into our AutoPack platform to enable fast adaptation for future customers with similar needs.

Robot Lawn Mowers

Our robot lawn mowers provide a smart solution to make lawn care easy and efficient. They incorporate advanced technology to take over the manual task of lawn mowing, allowing users to enjoy a neatly trimmed yard with little effort.

We focus on merging innovation with an appreciation for nature. Our robot mowers are created with precision to handle the practical challenges of yard maintenance, fostering sustainable practices and simpler living. By addressing the complexities of lawn care, we aim to make outdoor experiences more pleasant and fulfilling. This technology not only simplifies lawn management but also brings people closer to nature. Our robot lawn mowers are technologically superior over comparable products on the market in the following ways:

- *Positioning and mapping.* Our robot lawn mowers, particularly the second-generation products, combine QuadVision sensor module with full band real-time kinematic (RTK) technology to accurately construct detailed 3D maps. Other robot lawn mowers are typically equipped with fewer sensors and single- or dual-band RTK, which may experience positioning errors or signal loss in complex environments. For example, based on our testing in complex environment, our robot lawn mower remains its high accuracy in positioning, while some other robot lawn mowers showed deviation from actual positioning 3 times in 10 test runs. In addition, our robot lawn mowers support automatic cruise control to create maps with an accuracy rate of more than 90%, while some other robot lawn mowers require manual mapping or automatic mapping with low accuracy rate.
- *Path Planning.* Our robot lawn mowers are among the few in the market that offer pinpoint edge-trimming across all edges of the lawn and prioritize long-edge mowing to improve efficiency.
- *Intelligence perception.* With QuadVision sensors, our robot lawn mowers can accurately detect nearby obstacles and steer clear from obstacles to ensure safety.

Genie

Our second-generation robot lawn mower, *Genie*, has the following key functions and features:



- *Plug-and-play.* Our *Genie* can be operated without any pre-embedded boundary wires around lawn perimeters. Unlike the traditional robot lawn mowers in the industry, which rely on perimeter wires to operate within defined areas, *Genie*, our second-generation intelligent robot lawn mowers, utilizes advanced built-in sensors and positioning and navigation systems to automatically detect lawn boundaries and plan its path. This design significantly reduces the complexity of installation and setup, allowing users to easily activate the device and enjoy a smart mowing experience.
- *QuadVision technology.* Our *Genie* incorporates our latest QuadVision sensor module, which features a four-camera system that provides a field of view exceeding 300°, enabling advanced mapping and positioning capabilities. Through unified camera modeling and cross-camera feature recognition, it delivers localization precision more than twice as accurate as industry standards according to CIC, even in varying environments and lighting. *Genie* is capable of real-time centimeter-level localization, ensuring reliable navigation in dynamic or complex settings. Additionally, *Genie*'s front-facing binocular and side-facing monocular vision systems enable real-time, ultra-wide-angle depth measurements for constructing detailed 3D maps, precise obstacle avoidance and edge following.
- *Full band RTK and VSLAM technologies.* *Genie* is equipped with cutting-edge technology that enhances its functionality and reliability. *Genie* incorporates full band RTK technology that compares signals from satellites with a fixed base station using more frequencies to enhance accuracy positioning. *Genie* also incorporate VSLAM technology, which analyzes images taken by multiple cameras to understand its positioning, which, alongside VSLAM, ensures accurate and reliable positioning capabilities. Compared to GPS, full band RTK utilizes multiple global satellite navigation systems and frequency bands to collect more satellite data. Full band RTK is able to achieve dynamic positioning accuracy up to five centimeters, while standard GPS typically provides accuracy between five and 10 meters. This sophisticated combination allows *Genie* to perform mowing tasks with precision, even in locations where GPS signals are weak or absent, such as areas under dense trees. Thus, *Genie* offers consistent and dependable performance in a variety of challenging environments.
- *AI-powered lawn maintenance.* *Genie* features an intelligent lawn care system, which autonomously evaluates and executes mowing tasks. *Genie*'s system takes into consideration several factors such as the size of the user's lawn, seasonal changes, location, weather and time. This system relieves the user from the complexity of lawn care, as *Genie* handles the tasks efficiently and effectively on its behalf. When *Genie* encounters operational issues, it uses self-diagnosis and multiple recovery attempts before notifying users. In addition, *Genie* can be programmed to operate at a fixed schedule or to adjust its working hours based on real-time outdoor weather conditions. For example, if it detects rain, *Genie* will automatically postpone its mowing task until conditions are suitable.
- *Multi-zone management.* *Genie* provides users with the ability to remotely control and maintain their lawn with ease. Through our mobile application, users can create multiple mowing zones for targeted mowing in different areas, supporting up to 30 zones, such as front and back yard lawns. The mobile application also allows users to set mowing exclusion zones to enhance safety and precision by avoiding certain areas, such as around a swimming pool. Additionally, users can schedule mowing times, and the device will initiate cutting tasks in an orderly manner according to the set work plan, thereby completely freeing users' hands from lawn maintenance chores.

- *Adaptive cruise control (ACC) hands-free auto mapping.* *Genie* utilizes four built-in cameras along with ACC technology. This combination allows for accurate identification of lawn boundaries and the automatic generation of lawn maps. By employing these advanced features, *Genie* minimizes the need for manual mapping intervention, saving users valuable time and effort while providing an efficient and hands-free lawn maintenance experience.
- *Intelligent obstacle avoidance.* *Genie* excels in providing a flawless cut while prioritizing the safety of people and animals present on the lawn relying on its intelligence settings. It is equipped with four cameras and advanced algorithms that allow it to accurately detect nearby obstacles, including animals and furniture. This feature means users do not have to move furniture to prevent damage before mowing. Moreover, if a child or animal crosses their path, *Genie* will steer clear to ensure their safety.



- *Ride-on edges and smart rain detection.* *Genie* has been designed with a special feature to tackle the issue of missing the edges of the lawn. It offers pinpoint edge-trimming, ensuring the users' lawns remain perfectly manicured with precision across all edges. *Genie* is also equipped with a rain sensor that allows it to detect rainfall and promptly return to its docking station. With this innovative rain detection technology, users can trust that their mowers will remain in optimal condition, regardless of the weather.

Pion

Our first-generation robot lawn mower, *Pion*, is the world's pioneer robot lawn mower which integrates cable-TOF technology. C-TOF technology involves transmitting signals along a cable to determine the position of a device. This technique uses the time it takes for a signal to travel between two points to calculate the precise location. This technology allows for stable signal transmission with no loss, facilitating precise real-time positioning and route planning. *Pion* utilizes structured grid-shaped paths for mowing, a strategy that appears to significantly enhance efficiency by approximately 300% compared to random patch mowing patterns traditionally employed by other mowers.

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Comparison of Our Robot Lawn Mower Offerings

The table below sets forth the key differences between of our first- and second-generation robot lawn mowers:

	First-generation			Second-generation		
	Year ended December 31,			Year ended December 31,		
	2023	2024	2025	2023	2024	2025
Average selling price (RMB/unit)	2,722.0	2,297.1	1,848.6	–	–	4,648.2
Sales volume (unit)	23	10,131	11,004	–	–	25,075

	First-generation	Second-generation
Features	The first-generation robot lawn mower requires boundary wires for mowing.	The second-generation robot lawn mower does not require any pre-installed boundary wires.
	It is built with our proprietary C-TOF positioning technology enables autonomous positioning and path planning.	It is built with full band RTK and QuadVision technology, enabling real-time mapping and path planning.
Market positioning . . .	Targeting middle- to lower-end users and price-sensitive consumers. It is suitable for premise with smaller lawns.	Targeting middle- to high-end users. It is suitable for premise with larger lawns.
Sales channels . . .	Primarily through offline sales to business customers.	Through a combination of online sales to end consumers and offline sales to business customers.

Management of Our Robot Lawn Mower Offerings

Our second-generation robot lawn mower marks a significant advancement over the first-generation product, particularly in core positioning, mapping and navigation technologies. Since the market is developing quickly and technological standards are still evolving, rapid product iteration to offer competitive products is our strategic move to capture market opportunities and is common in robot lawn mower industry, according to CIC.

We believe cannibalization risks among our robot lawn mowers are currently limited. While our first-generation robot lawn mower targets the mid-to-lower-end market, such as smaller home lawns of up to around 1,000 square meters, the second generation is positioned for the mid-to-high-end market, covering larger lawns of up to around 3,000 square meters. In addition, our first-generation robot lawn mower is suitable for price-sensitive customers, while the second generation is suitable for customers who value greater convenience and automation. As such, the two generations target distinctly different customers.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY**Revenue Growth**

We achieved sustained business growth but were loss-making during the Track Record Period. Our revenue growth was attributed to two drivers: our visual perception products (including sensors and algorithm modules) and intelligent robot lawn mowers.

Based on continuously expanding sales network and high-quality customer base, the sales volume of our visual perception products increased more than three times from 3,523,561 units in 2023 to 7,962,880 units in 2024, and further to 12,501,099 units in 2025. As a result, revenue from our visual perception products increased from RMB274.2 million in 2023 to RMB606.5 million in 2025, representing a CAGR of 48.7%. Additionally, we launched small-scale trial production of intelligent robot lawn mowers and commenced its initial market rollout in the end of 2023, recording limited sales in the same year. In 2024, we commenced mass production of our intelligent robot lawn mowers and achieved significant increase in revenue from RMB63,000 in 2023 to RMB23.3 million in 2024. Our revenue from robot lawn mowers also increased significantly to RMB136.9 million in 2025.

Driven by both factors, we achieved rapid increase in revenue from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025.

Net Loss

Despite our rapid growth, our revenue had yet been able to fully cover the various costs and expenses incurred during the Track Record Period. In 2023, 2024 and 2025, we had net losses of RMB68.5 million, RMB56.5 million and RMB62.5 million, respectively, representing 24.8%, 12.1% and 8.4% of our revenue in the corresponding years, respectively.

During the Track Record Period, our net losses were primarily attributable to R&D and market expansion of robot lawn mower, which was still in the ramp-up phase. In the early stage of its development, revenue from robot lawn mower was relatively limited and therefore was not able to cover the relevant costs and expenses. Specifically,

- *Research and development expenses.* We made significant efforts to promote innovation and technological advancement of robot lawn mowers. During the Track Record Period, employee benefit expenses and equity-settled share-based payment expenses for our R&D staff contributed a significant portion of our research and development expenses. Among our 271 R&D staff, more than 35.4% were dedicated to the R&D of robot lawn mowers as of December 31, 2025. Through their collaborative efforts, we developed the first-generation robot lawn mowers in 2023, and the second-generation in 2024. During the Track Record Period, we incurred R&D expenses of approximately RMB36.5 million in upgrading into the second-generation robot lawn mowers from the first-generation. The expected payback period of such expenses was two years. As our strategic flagship product, our second-generation robot lawn mower has played a significant role in driving and scaling-up sales of our robot lawn mower and potentially complete robot business line and improving our profitability. See “—Our Product Portfolio—Robot Lawn Mowers.”

- *Selling and marketing expenses.* We also put efforts in the recruitment and retention of marketing talent and promotion activities. During the Track Record Period, employee benefit expenses and equity-settled share-based payment expenses for our sales and marketing staff constituted the majority of our selling and marketing expenses. Among our 79 selling and marketing staff, more than 72.2% of them were dedicated to the selling and marketing of robot lawn mowers. In addition, marketing expenses also constituted a substantial portion of our selling and marketing expenses during the Track Record Period. We have implemented offline marketing events and online promotional campaigns, including participation in industry exhibitions and KOL video promotion. As a result, we achieved significant increase in sales volume of robot lawn mowers from 23 units in 2023 to 10,131 units in 2024, and further to 36,079 units in 2025.

In addition to the above, we have made investments in exploring and developing other complete robotics products. Through such R&D efforts, we identified robot lawn mower as our second growth driver in view of its significant market potential and compatibility with our technological capabilities. These R&D activities also resulted in certain research and development expenses during the Track Record Period, which, while to a limited extent, contributed to our net loss position. After identifying robotic lawn mowers as our second growth driver, our R&D efforts shifted to this product and resources were concentrated on its development and mass production. This shift aimed to effectively control and improve the efficiency of our expenses.

Our net losses during the Track Record Period were also attributable to R&D and market expansion of visual perception products. Relying on our R&D activities, we have built a visual perception product portfolio and iterated certain intelligent perception products. We also expanded our client base of visual perception products. In 2023, 2024 and 2025 we acquired four, seven and six new group customers for our visual perception products, respectively. With our continuous R&D efforts and business expansion, our net losses from visual perception products had been narrowing down during the Track Record Period in terms of percentage to revenue.

We have been allocating our R&D resources to align with our strategic development objectives. For business lines that are set as strategic priorities, we ensure sufficient resources are allocated to support the achievement of these objectives. After identifying robot lawn mowers as our second growth driver, we gradually increased our R&D investment them. The proportion of R&D expenses attributable to robot lawn mowers among our total R&D expenses significantly exceeded the proportion of revenue attributable to robot lawn mowers among our total revenue. By allocating ample R&D resources, we rapidly captured the growing market of robot lawn mowers and accumulated first-mover insights. We believe revenue from robot lawn mowers will continue to increase in the foreseeable future, making it one of our core revenue streams.

Path to Profitability

During the Track Record Period, the percentage of net losses to revenue continued to decrease. In addition, our adjusted net loss (as net loss for the year adjusted by adding back equity-settled share-based payment expenses and listing expenses related to the Global Offering) in its absolute amount and percentage of adjusted net loss to revenue continued to decrease. We expect to turn around our net loss position through increase in revenue, improvement in gross profit margin and enhancement in operating efficiency.

Stable revenue growth

Revenue growth is key to achieving profitability. We have built a robust technological foundation and a suite of visual perception products. Our visual perception products can empower a wide range of intelligent robot products, including robot lawn mowers. Leveraging the significant market potential of intelligent robot market, as well as our technology strengths, we are well positioned to enhance and upgrade product offerings in response to emerging market opportunities and continue to achieve revenue growth. As sales volume of robot lawn mower grows, the corresponding increase in revenue will gradually cover the relevant costs and expenses and thereby reduce our net losses in general.

Rapid growth and increasing penetration of overseas intelligent robot market

Driven by the increased commercialization of household and commercial intelligent robots, as well as advances in hardware technologies, algorithms and AI-empowered models, the intelligent robot market is expected to experience rapid and significant growth. Along with the wide adoption of intelligent robots in various sectors, the global market size of intelligent robot perception technology is also expected to expand substantially. According to CIC, the global market size for intelligent robot visual perception technology increased from RMB13.6 billion in 2020 to RMB28.5 billion in 2024 with a CAGR of 20.3%. With ongoing advancements in related technologies, the market size is expected to further grow, reaching RMB70.2 billion in 2029, with a CAGR of 19.7% from 2024 to 2029. See “Industry Overview.” Our visual perception technologies empowered over nine million units of intelligent robots in 2025. According to CIC, we are among the companies with a broad portfolio of intelligent robot visual perception technology products. Benefitting from the growth potential of intelligent robot market and the visual perception technology sub-market, our suite of visual perception products is expected to support us in capturing the market potential and achieving sustainable growth.

In addition, the penetration rate of robot lawn mowers remains low in the global lawn mower machinery market despite the significant consumer demand for lawn mowing machinery. In 2024, the global market size of intelligent robot lawn mowers was RMB6.1 billion, representing a penetration rate of less than 2.0% in the global lawn mower machinery market. Driven by technological advancements, both penetration rate and market size of intelligent robot lawn mowers are expected to grow substantially. Its penetration rate is expected to reach 17.0% in 2029 and the market size is expected to reach approximately RMB47.6 billion in the same year. We are offering and will continue to offer robot lawn mowers with advanced technologies. We believe that our rapid product iteration will capture the evolving market opportunities and fuel our continuous revenue growth.

Strengthening relationships with existing customers and attracting new customers to expand our sales network

Customer recognition and satisfaction are key to our business sustainability and growth. We have established long-term and stable relationships with our existing customers. During the Track Record Period, our customers included seven of the world’s top ten household robotics companies, and all of the world’s top five commercial service robot companies. Our group customer retention rate, reached approximately 84.0% in 2023, 90.0% in 2024 and 100.0% in 2025, demonstrating notable recognition and satisfaction of our customers. We maintain stable relationships with our customers. Our sales and marketing team have in-depth understanding of our customers and industry development. Relying on our experienced sales and marketing team, we believe that we will continue to generate stable revenue from our existing customers.

In addition to maintaining our existing customers, we also intend to expand our customer base, which is equally important to continue our revenue growth. Technological innovation is considered a crucial factor for our development. By consistently iterating products and upgrading solutions, our visual perception products and robot lawn mowers are developed to lead industry standards and attract new customers through technical proficiency and scenario-based application capabilities. We intend to increase our involvement in robotics industry events to demonstrate our innovated technological strengths and product technologies, such as the QuadVision and full bank RTK and VSLAM technologies in our robot lawn mowers. Additionally, we intend to continue expanding our collaboration with KOLs and KOCs to enhance our presence on online sales platforms. We aim to enhance brand awareness and attract new customers through these efforts. Together with our solid existing customer base, we will continue to enlarge our client base to drive our revenue growth.

Expansion into new high-value international market

Through intelligent robot lawn mowers, we plan to reinforce our overseas footprint through strengthening our overseas sales and marketing capabilities and enhancing strategic partnerships. According to CIC, the global market size for intelligent robot lawn mower in terms of sales volume increased from approximately 28,600 units in 2022 to approximately 383,500 units in 2024, and is expected to reach approximately 3.4 million units in 2029, with a CAGR of 54.7% from 2024 to 2029. See “Industry Overview.”

Leveraging our advanced technologies in the applications in complex outdoor environments, we recorded sales of our first-generation robot lawn mower of more than 10,000 units in 2024. We recorded significant increase in overseas sales of robot lawn mowers in 2025. From the beginning of 2025 to the Latest Practicable Date, we sold more than 54,000 units of robot lawn mowers, signaling our rapid growth potential. We believe that robot lawn mowers have significant market potential, especially in Europe, North America and Australia, where manual mowing costs are high. We will continue closely monitoring the relevant market to ensure our products fit customer demand. Additionally, to ensure efficient overseas production, sales and services, we are setting up operation centres in Singapore, Hong Kong and Germany. As we strategically expand our overseas footprint, we aim to build a recognized brand in overseas market to capture the fast-growing demands of robot lawn mowers and achieve rapid revenue growth.

Technological upgrade and product iteration to diversify our product mix

Leveraging the success of our current offerings, we plan to further optimize our products to improve their adaptability, accuracy and efficiency, thereby enhancing our competitive edge. For example, we aim to refine our existing portfolio of visual perception products by developing next-generation DTOF dual-camera obstacle-avoidance radar, 4D radar and all-solid-state flash LiDAR. 4D radar use uses radio waves to detect the position of objects, as well as their distance, speed, and the angle at which they move, and flash LiDAR sends out a wide flash of light and instantly measures how long it takes for the light to bounce back from different objects. These advancements will keep our products at the forefront in areas such as environmental adaptability, range accuracy and power consumption efficiency. We also plan to optimize the functional module design of our visual perception solutions to better align with real-world applications, thereby achieving significant advancements in both technological development and user experience.

We also plan to strengthen our technological infrastructure to better cover customers’ needs, while penetrating our product offerings into new markets. For example, we will continue to focus on developing all-in-one radar solutions with higher integration and merging traditional SLAM and obstacle avoidance requirements, aiming to enhance sensor performance and reduce cost of sensors. These advancements will enhance the sensors’ performance and at

the same time reduce their size and cost. We are also developing an advanced material detection sensor, which goes beyond the limitations of traditional RGB cameras to identify various materials, enabling detection of floor stains and assessing the health of lawns. Through such optical-algorithm synergistic innovation, we aim to significantly enhance the usability of visual systems in extreme environments and expand the application scenarios for intelligent robots. Through innovation and synergy, we aim to offer a year-round smart maintenance solution that boosts user engagement, brand value, market reach and business growth. We expect that our expanding revenue sources will continue to improve operating results.

Improving gross profit margin

Continuing product iteration and optimizing product mix

We plan to continuously refine our existing product line, strengthen product differentiation and sustain business growth. We will continue to review customer feedback of our existing products, and consider market trend of new and iterating products. Our R&D efforts will focus on products with promising market potential. In 2025, sales of our higher-margin DTOF LiDAR products accounted for 48.3% of sensor product revenue, demonstrating a significant increase from 11.9% in 2024, resulting in the gross profit margin of our sensor products increasing from 15.2% in 2024 to 20.4% in 2025. In addition, our revenue from robot lawn mower products as a proportion of total revenue increased from 5.0% in 2024 to 18.3% in 2025. The mass production of our second-generation robot lawn mowers further improved the gross profit margin for this business line from 33.6% in 2024 to 42.3% in 2025.

Improving cost efficiency through economies of scale

As our sales volume continues to increase, we are gradually benefiting from economies of scale, particularly with our visual perception products. In addition, with the commencement of mass production for both generations of robot lawn mowers, we expect to increase sales volume of robot lawn mowers and achieve economies of scale for this product line. For our visual perception products, as we continue to increase procurement volume from our suppliers, we can negotiate with suppliers with better terms, improving our profitability and long-term sustainability in the high-growth market. In addition, in anticipation of rising order volumes in the future, we have made, and will continue to make, investments in expansion and upgrade of production facilities and equipment to expand our production capacity and improve production efficiency. In relation to hardware, we will continue to introduce customized automatic assembly lines and automated inspection fixtures. In relation to software systems, we will procure state-of-the-art intelligent factory software to facilitate complete digital control from raw materials to finished products. We also implemented a manufacturing execution system to improve overall management of production through real-time data collection and visualization of the entire production process. These initiatives have improved and will continue to improve product production efficiency and reduce production costs.

For our robot lawn mowers, we aim to increase sales volume and corresponding revenue to cover corresponding costs and expenses. As the robot lawn mower market is developing quickly, rapid product iteration to offer advanced and competitive products is key to capture customers. We developed the first-generation robot lawn mowers in 2023, and the second-generation in 2024. We believe that our robot lawn mowers to continue to experience rapid growth in sales volume and thereby achieve economies of scale soon.

Optimizing R&D efficiency and improving operational effectiveness

With our underlying R&D capabilities and advanced application implementation serving as the foundation, we are constantly making technological advancements and product iterations, boosting our profitability. Our dedicated R&D efforts have optimized software development, hardware design and production processes, ultimately improving cost efficiency and gross margins. For example, our self-developed AutoPack platform adopts a modular design, enabling compatibility with a wide variety of sensors and rapid configuration of solutions. It covers the full downstream business process and supports extensive platform integration. This modular and configurable design makes product development comparably flexible, allowing for different module and parameter configurations to meet varying application scenarios and product requirements. This adaptability enhances scalability and timely product offerings across diverse project needs. By utilizing our AutoPack platform, we reduced the time needed to build each firmware package (a package containing a collection of firmwares with codes that are intended to run on devices) by 50%, effectively doubling our operational efficiency. Taking our DTOF LiDAR Series 50 as another example, it features a simplified coaxial optical design. The simplified structure only requires one PCBA instead of the traditional requirement of two to three PCBAs, thereby reducing this product's bill of materials (BOM) cost.

We have adopted stringent measures to control administrative expenses. As part of such efforts, we have optimized our team structures to enhance efficiency while maintaining essential support functions. This streamlining is aimed at simplifying workflows, optimizing resource allocation and ensuring that operational needs are met in a cost-effective manner.

In addition, we have adopted a focused, target-based approach to selling and marketing activities to further improve the efficiency of related expenses. By directing resources and efforts toward high-priority selling regions and leveraging data-driven insights, we have optimized our selling and marketing strategies. Through such efforts, we have maintained a stable level of selling and marketing expenses, as a percentage of our revenue.

During the Track Record Period, we incurred significant operating expenses. Based on our aforementioned technological advancements and cost control measures, our research and development expenses, selling and marketing expenses and administrative expenses had generally decreased as a percentage of revenue from 57.1% in 2023 to 36.3% in 2025.

Working Capital Sufficiency

Our Directors are of the view, and the Joint Sponsors concur, that taking into account our available resources including cash and cash equivalents, certificate of deposits and time deposits on hand, which are liquid on demand, the operating cash flows, the available banking facilities and the net estimated proceeds from the Global Offering, we have sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus. See “Financial Information — Working Capital Sufficiency” for details.

Director's View

Benefiting from the aforementioned revenue growth drivers, our revenue growth continued in 2025. In 2025, our revenue from visual perception products amounted to RMB606.5 million, representing a 38.1% increase from 2024. Our revenue from robot lawn mowers amounted to RMB136.9 million, representing a close to sixfold increase from the corresponding period in 2024. In addition, relying on our operating efficiency improvement methods, we are continuously optimizing our product mix and reducing operating costs. Our robot lawn mowers have a higher gross profit margin than our visual perception products. As the sales volume of our robot lawn mowers rises, we expect their share of total revenue will continue to increase, leading to an improvement of our overall gross profit margin. We are also

committed to expanding our business operations to capitalize on economies of scale, thereby ensuring that operating expenses are managed efficiently. In 2025, we recorded a narrowed net loss of RMB62.5 million as compared to RMB68.5 million in 2023. Based on the foregoing, our Directors are of the view that the efforts described above have contributed to and are expected to continue to maintain the sustainability of our business operation.

OUR CORE TECHNOLOGIES

According to CIC, we are among a few robotics companies in China to possess a wide range of capabilities from foundational R&D to product applications, encompassing sensors, algorithms, robotic hardware platforms, software systems and the integration and manufacturing of robotic systems. We specialize in the R&D of fundamental technologies for intelligent robot. We have successfully developed, produced and mass-manufactured a wide portfolio of visual perception products and AI-powered spatial perception algorithms in the intelligent robotics industry, which forms a solid foundation for intelligent robot. Leveraging our extensive expertise in visual perception infrastructure, we have vertically integrated downstream to develop and produce complete intelligent robot systems. This enables us to gradually transform into a smart robotics company with capabilities spanning from fundamental technology development to real-world application deployment.

Mapping and Positioning Technology

Our mapping and positioning technology substantially enhances robotic autonomy by delivering unparalleled precision and efficiency through advanced innovations. Our cutting-edge technology enables seamless navigation, enhanced coverage and optimized performance for both indoor and outdoor applications, offering significant advantages in speed, cost-efficiency and reliability. Our key mapping and positioning technologies are set forth below:

- *Beauty SLAM*. For indoor robotic applications, we developed the Beauty SLAM mapping and localization system, which uses linear LiDAR for mapping. By incorporating a Gaussian Mixture Model during map construction, the algorithm's processing speed has been enhanced. Our algorithm operates significantly faster than the industry average, achieving over 10 frames per second (fps) on an embedded platform. For the LiDAR matching process, we used the Atlanta World Model, enabling automatic alignment with the physical structure of the world and producing visually appealing map outputs.
- *Cannon SLAM*. Designed specifically for indoor applications, the Cannon SLAM system addresses diverse product positioning needs. It leverages a single-point distance sensor to deliver complete mapping and localization functionality. Despite maintaining exceptional performance, this system reduces sensor costs by more than 70% compared to traditional LiDAR solutions, providing a significant competitive edge.
- *QuadVision SLAM*. Specifically designed for outdoor robotic scenarios, we developed the QuadVision SLAM visual positioning system. Using four cameras for mapping and localization, it achieves a field of view exceeding 300°. By uniformly modeling the four cameras, the algorithm enables cross-camera feature recognition, the localization precision is greatly improved. It also offers superior adaptability to diverse environments and lighting conditions. In typical application scenarios, the error rate is maintained below 0.5%. Robot lawn mowers equipped with this system can operate without additional positioning sensors such as LiDAR or GPS.

- *C-ToF system.* For outdoor robot lawn mowers, we developed the C-ToF system. Traditional lawn mowers determine boundaries using wires and adjust direction randomly, resulting in long coverage times and inconsistent coverage rates. We use the time-of-flight technology to measure the wave's propagation time, enabling precise positioning for the robot. Robots equipped with this system achieve accurate bow-shaped coverage, significantly enhancing operating efficiency and coverage. Compared with non-intelligent robot lawn mowers, this system improves efficiency by over 300% and increases coverage by more than 25%.

Visual Perception Technology

Leveraging our advanced R&D expertise, we have developed a diverse range of sensors, including single-point ToF distance sensors, triangulation LiDAR, DTOF LiDAR, 3D structured light sensors, binocular biomimetic distance sensors, ultrasonic sensors, infrared sensors and quad-eye matrix sensors. This has enabled us to build an extensive range of visual perception products in the intelligent robotics field. Our innovative visual perception technologies combine advanced sensor hardware and perception algorithms, pushing the boundaries of precision and efficiency. The key features and advantages of our visual perception technologies are set forth below:

- *Intelligent perception systems (home guard vision system and boundary eye system).* Leveraging extensive scene data and years of technical expertise, we develop highly efficient perception systems at an exceptionally low cost and with minimal computational power requirements. Our *home guard vision and boundary eye systems* are capable of recognizing hundreds of common indoor objects and boundaries in complex environments, while precisely identifying the type and distance of obstacles. With a computational demand of just 0.5-1 TOPS, it is ideally suited for deployment in embedded systems.
- *Multi-sensor fusion.* Our multi-sensor fusion technology supports a wide variety of sensors, ensuring strong compatibility and adaptability across platforms with different computational power requirements. For different types of robots, we may integrate more than ten types of sensors, including LiDAR, single-point distance sensors, infrared sensors, PSD sensors, 3D structured light sensors, RGB cameras, gyroscopes, wheel odometry encoders and full frequency GNSS module. These sensors collectively ensure high-precision positioning and stable operation, even in complex environments.
- *3D+ multispectral perception.* Our pioneering integration of multispectral imaging with 3D vision scanning offers a holistic perspective on lawn care. This enables our systems to assess lawn health, detect terrain anomalies (*e.g.*, moisture deficiencies or disease) and identify plant species with accuracy. Consequently, our multispectral perception technology can tailor mowing strategies based on the real-time status and type of lawn, creating a personalized user experience that significantly enhances lawn maintenance outcomes.

Planning and Control Technology

Our advanced planning and control technologies excel in creating an optimal balance of efficiency, coverage and energy consumption. Our key planning and control technologies are set forth below:

- *Autonomous exploration and mapping.* Our self-developed *AccAutoMapping* technology, equipped with quad-camera matrix sensors with 300° ultra-wide-angle coverage and the boundary eye dynamic boundary recognition system, enables zero-intervention intelligent mapping of environments. The system simultaneously generates 2D navigation maps, 3D obstacle point clouds and semantic annotation layers, achieving over 90% accuracy rates in complex environments.

- *Navigation system.* We have developed a fast and resource-efficient navigation system that supports real-time path planning and navigation over areas exceeding 5,000m² on embedded SoC platforms. It can also be deployed on low-computation microcontroller platforms demonstrating exceptional versatility.
- *Full-coverage path planning and precision edge cleaning.* We have developed a flexible and highly efficient full-coverage path planning system that adapts to different map shapes for maximum effectiveness. We developed our own precision edge-cleaning technology, Refinement Clean. Powered by our proprietary 3D structured light sensors, this system delivers millimeter-level accuracy in edge detection and an obstacle recognition precision of $\pm 0.8\text{mm}$. It can reliably identify low-profile objects such as slippers and wires while maintaining a cleaning edge distance of $\leq 1\text{ cm}$. Furthermore, the risk of edge tangling is reduced by more than 90%, greatly enhancing operational reliability and efficiency.
- *Adaptivity to varying landscapes.* As for our robot lawn mowers, the intelligent slope detection capabilities support up to 30° inclines while also taking into account grass density and lawn shape in their operations. This allows for automated path adjustments, achieving significantly elevated levels of precision in cutting compared to manual efforts.

General Robotics Development Platform (AutoPack)

The AutoPack platform adopts a modular design, enabling compatibility with a wide variety of sensors and rapid configuration of solutions. It covers the full downstream business process and supports extensive platform integration. With AutoPack, a single set of algorithms can be seamlessly applied to various LiDARs, 3D structured light sensors, ultrasonic radar, PSD wall-following sensors and infrared sensors.

This modular and configurable design makes product development highly flexible, allowing for different module and parameter configurations to meet varying application scenarios and product requirements. The approach significantly reduces R&D time for multi-project development, greatly improving efficiency and lowering development costs. In addition, utilizing its production and testing engine module, AutoPack effectively shortens the time from R&D to mass production. AutoPack provides customers with a standardized, low-margin-cost solution, offering an end-to-end service loop from product design to manufacturing.

AI Technology

AI technology is one of our core competencies, and we have invested substantial R&D resources in its development, applying emerging technologies to our products. We have incorporated deep learning into our VSLAM localization system, enabling neural networks to extract image features. This makes the localization algorithm more robust and resistant to changes in lighting conditions. In binocular bionic sensors, neural networks are also used for depth reconstruction, achieving a reconstruction completeness rate up to 98%, reducing reconstruction failures caused by overexposure or backlighting by approximately 80% and improving performance in low-texture environments by approximately 50% stereoscopic sensors. During map creation, neural networks are employed to extract semantic information, which is then used to divide the map into labeled regions. Our products utilize these semantic information to intelligently adjust operational modes, enhancing the user experience. By deploying large language models and vision-language models, we have equipped robots with the ability to understand their environment semantically. Combined with robot positioning information, they can create semantic visual maps, enabling robots to understand environment more like humans.

Simulation and Automated Testing Tools

We are committed to developing tools to improve the efficiency of R&D processes. Our proprietary simulation tool, SimCarrier, enables rapid prototyping and validation of algorithms in hardware-free environments. CarrierDebugger, our custom debugging tool, allows real-time monitoring of all sensor statuses in the robot and records full operational data with replay functionality. It can simulate real-world robot operations, greatly improving R&D efficiency and quality. Additionally, our proprietary automated testing tools integrate with both simulated and real-world environments to streamline software release testing into a unified workflow. These tools automatically generate detailed test reports, significantly improving testing efficiency and output quality.

RESEARCH AND DEVELOPMENT

Our deep passion for innovation coupled with our strong R&D capabilities have allowed us to keep up with the rapid advances in technologies. During the Track Record Period, our total research and development expenses amounted to RMB311.9 million, representing 20.9% of our revenue during the Track Record Period.

We place strong emphasis on the recruitment of technology specialists and senior engineers with extensive experience in the industry. Our technological capabilities are built by our talented and dedicated research and development team. As of December 31, 2025, we had a team of 271 R&D professionals, representing approximately 34.8% of our professional staff. Our R&D team include professionals who are specialized in intelligent robot related technologies and graduated from renowned universities. With competitive remuneration packages and welfare benefits and promising development prospects, we have retained key R&D personnel and maintained a stable R&D team. We also established various training programs to keep our R&D personnel abreast of the most advanced technologies in the relevant fields.

Our research and development team has established collaborations with external research institutions to further advance our technological capabilities. For example, we have entered into strategic cooperation agreements with the Guangdong Intelligent Robotics Institute (廣東省智能機器人研究所) (“GIRI”) to collaborate on the development of cutting-edge technologies in the field of intelligent robots and aim to promote innovation of intelligent robot products. Salient terms of such agreements are as follows:

- *Collaboration scope.* We collaborate with GIRI in the development of autonomous technologies and intelligent robot products. During the Track Record Period, we primarily collaborate with GIRI in the testing of robot lawn mowers. We are gradually extending our collaboration with GIRI in the development of intelligent robots.
- *Intellectual property.* New technological achievements, work products and their respective intellectual properties arising from the performance of the collaboration agreements belong to us. GIRI also represents that any work product delivered to us does not and will not infringe any third party’s intellectual property rights.

Historical Product Advancement

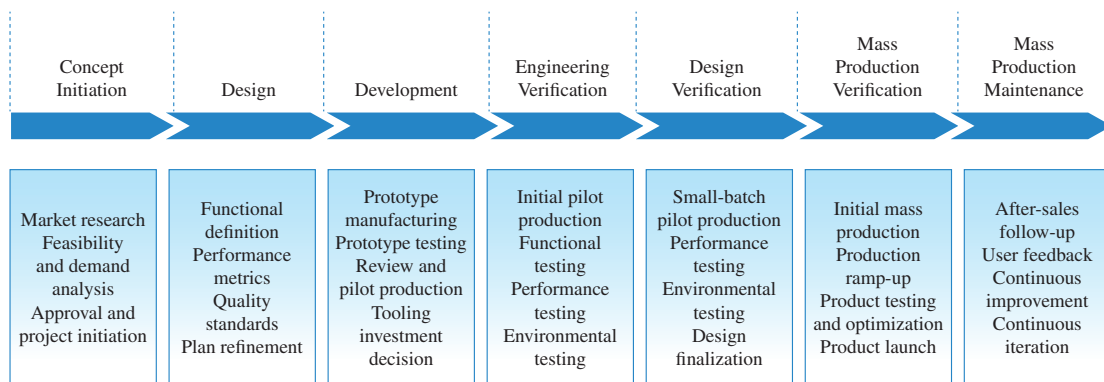
Since our establishment, our R&D activities have continually driven the advancement of our products:

- *Sensors.* Since we launched our first SLAM triangular laser radar in 2018, we have expanded our sensor portfolio in the following aspects:
 - *Introduction of new and diverse types of sensors.* We had enriched sensor product matrix catering to customers' needs across different scenarios and functionalities. For example, we launched our solid-state linear LiDAR, ultrasonic sensor and QuadVision sensor in 2019, 2021 and 2024, respectively.
 - *Advanced technical capabilities.* We continue to optimize the performance of our sensor products. For example, we developed the first generation of the DTOF-06 LIDAR, which has higher long-distance measurement accuracy, stronger environmental adaptability and better performance stability compared to traditional laser LiDAR.
- *Algorithm modules.* Our R&D activities also promoted the advance in 2021 and AI solutions in 2023.
- *Robot lawn mowers.* We began to develop robot lawn mowers in 2022. Relying on our R&D efforts, we successfully introduced the second-generation robot lawn mowers in 2024, featuring distinct technologies and advanced intelligence levels. We launched the third-generation robot lawn mowers in January 2026. The three generations target customers with different price preferences and technological requirements.

In addition to advancement to our products, certain of our technologies have improved our R&D efficiency. For example, our self-developed AutoPack platform has hosted various modules to support parallel product development. We can choose from pre-embedded component parameters, software modules and event scenarios to expedite R&D cycle and product iteration.

Research and Development Process

The diagram below sets forth a summary of our research and development process:



The key stages in our research and development process consist of:

- *Conceptualization stage.* We identify market demand and conduct feasibility analysis. Based on this analysis, we determine an optimal implementation plan with detailed steps, along with the required quality standards.
- *Design and development.* When designing prototype products, we separate functionality, performance and quality targets and assign them to different personnel based on their specialties in hardware, software, testing, production, and procurement. A range of testing strategies and plans are established and implemented to ensure that designs undergo rigorous validation.

Then entering development, we test functionality, performance and quality targets of the prototype products based on the pre-determined standards. Any identified risk or issue will be tested and validated. We review testing reports and decide whether to continue with trial production and structure mold production.

- *Verification.* The main purpose of engineering verification is to validate the feasibility and functionality of product design. A small batch of samples is produced for basic functionality and performance testing. These tests aim to identify potential design-related structural issues, material or component selection problems, hardware or software design defects and production testing challenges. After completion of various testing, we will conduct a quality review to confirm that all key issues have been addressed.

At the design verification stage, small-scale trial production is carried out to validate the products performance and reliability under broader conditions. A range of testing activities, such as environmental testing, durability testing and compatibility testing, are performed to confirm that the products can function under various real-world conditions. When quality and small-scale production feasibility are confirmed, the products will progress to mass production.

- *Mass production.* Mass production verification focuses on quality under actual production conditions. Products entering this stage are manufactured in a real production environment and thoroughly inspected for quality, functionality, performance and environmental compliance. The stability and efficiency of production processes are analyzed to identify areas for improvement. At the end of this stage, we will generate a production summary, ensuring that identified problems are addressed, production efficiency meets predefined quality standards and the product is ready for mass production and sales.

After mass production, we follow closely with customers to monitor issues after products are sold. Based on feedback from customers, we promptly resolve issues identified and transfer the information to R&D team so that they can fix this issue at an earlier stage, further optimizing and iterating our products to maintain strong competitive advantages in the long run.

PRODUCTION

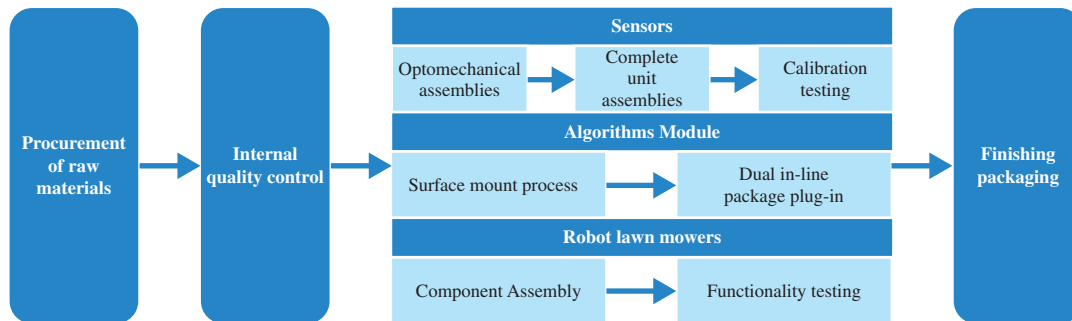
Our primary manufacturing facility is located in Shenzhen, Guangdong province and has a gross floor area of over 20,000 square meters. This facility primarily produces and assembles our proprietary sensors and algorithm modules using a wide range of raw materials and components. Our production line's utilization rate for a specific year was calculated by

dividing the actual production output by its annual production capacity. In 2023, 2024 and 2025, our utilization rate of production line for sensors was approximately 76.3%, 90.5% and 95.9%, respectively, and for algorithm modules was approximately 80.1%, 88.7% and 98.0%, respectively.

Our Production Process

We are committed to the continual development of production process techniques to enhance our production capabilities and to accelerate the automation and digitalization of our production lines. The diagram below illustrates key steps of our production process:

Below are the key steps in our product manufacturing process:



- *Raw material procurement and inspection.* We source high-quality materials from reliable suppliers to ensure product integrity.
- *Manufacturing.* We may engage third-party manufacturers to participate in the manufacturing process. We determine detailed arrangements based on the type of products involved.
 - *Sensors.* During the Track Record Period, all of our new sensor models are produced in-house, while older models are partially outsourced to third-party manufacturers.

Optomechanical assembly. We assemble key components such as laser emitters, sensor control boards and lenses into the core LiDAR module, the optomechanical module. We also perform laser power calibration and optomechanical focusing.

Complete Unit Assembly and calibration testing. We integrate the optomechanical module with the LiDAR structure, off-axis motors and other components, forming the finished LiDAR product. We also conduct calibration for distance and angle, aging tests and functional testing to meet design performance requirements.

- *Algorithms modules.* We determine between in-house and third-party manufacturing based on order volume and our capacity.

SMT (Surface Mount Technology). We use solder paste inspection, pick-and-place, reflow soldering and other processes to assemble PCBA boards using PCB boards and electronic components. We also perform visual inspection with automated optical inspection equipment to ensure the quality of SMT processes.

DIP (Dual In-Line Package). We apply conformal coating to the PCBA board, followed by firmware programming and functional testing to meet design performance requirements.

- Robot lawn mowers. We develop and manufacture core components, such as production jigs and fixtures and automated testing systems. We may then engage third-party manufacturers to proceed with basic production according to our specifications.

Component assembly. All procured materials that pass inspection are assembled into components or semi-finished products. These components or semi-finished products are then assembled into the final product, ensuring the structural integrity of the product.

Functionality testing. After assembling components such as base cases, charging stations and vision systems, functionality and airtightness testing, as well as parameter calibration, are conducted on each component individually. Once all components pass testing and are assembled into the final product, functional tests and outdoor running tests are performed to ensure the product meets design standards.

- *Finishing Packaging.* We carry out rigorous appearance inspections to ensure the product meets factory release standards. To finish our product packaging, we undergo visual inspection, cleaning and installation of protective materials for transportation. It is packed along with accessories, sealed and subjected to finished product quality sampling inspections.

During our manufacturing process, we may collaborate with trusted third parties to manufacture and assemble our products such as robot lawn mowers, to balance the change of order volume due to seasonal factors and ensure delivery efficiency. We choose third-party contract manufacturers to participate in the manufacturing process primarily for the following reasons: (i) we may experience seasonal order surges from time to time, when we require enhanced manufacturing capacity to accommodate the sudden increases in customer orders. By leveraging third-party contract manufacturers, we are able to maintain a stable in-house capacity without unnecessary expansion; (ii) some manufacturing process may be costly as it requires investment in high-cost production equipment. By leveraging third-party contract manufacturers, we can control investment in fixed assets; and (iii) assembling robot lawn mowers requires substantial floor space, but does not involve significant technological barriers. We opted to partner with third-party contract manufacturers to limit our investment in production facilities and reduce costs. Salient terms of a typical agreement with third-party contract manufacturers are as follows:

- *Roles and responsibilities.* The third-party contract manufacturer is responsible to assemble the agreed components with raw materials provided by us. We are entitled to assign inspectors to supervise the assembly process. The third-party contract manufacturer must follow our confirmed protocol to assemble components and are not allowed to unilaterally amend the confirmed protocol.
- *Payment schedule.* We are typically required to pay third-party contract manufacturers within 90 days after receipt of invoice.

- *Intellectual property.* All designs, technical specifications and functional requirements provided by us belong exclusively to us and may only be used only for the assembly of agreed components. Any patents, designs, copyrights or other intellectual properties arising from our outsourcing arrangements also belong exclusively to us.
- *Quality requirements.* The third-party contract manufacturer is required to deliver products meeting our quality requirement, otherwise we may be entitled to deduct service fee or terminate the agreement.
- *Renewal and termination.* This agreement may be terminated based on mutual agreement. We may also terminate this agreement if the third-party contract manufacturer does not possess the qualification or permit to perform obligations under this agreement.

While outsourcing certain manufacturing processes to third parties, we remain responsible for core design and manufacturing processes, including design of optical sensors and development of production jigs and fixtures and automated testing systems. We only outsource basic assembly processes with low technical barriers and surface mount process to third parties. For example, while we procured third-party manufactured optical components, the design of sensors' optical system is carried out by our R&D team. Such design is the core process in designing optical path and structure. In addition, while we procured third-party manufactured structural components, we developed structural drawing, and third parties only needs to perform basic manufacturing that meets our specifications. Lastly, we design printed circuit board assemblies (PCBAs) with our proprietary algorithms embedded. Standard electronic components will then be mounted on the PCBAs. While we procured standard electronic components manufactured by third parties, our proprietary PCBAs represent the key capabilities in the relevant manufacturing process.

We have established a robust outsourced supplier management system that ensures effective control of suppliers' production quality through clear entry criteria, legal quality agreements and ongoing production monitoring. This includes strict supplier audits, detailed quality inspection requirements, real-time production oversight and a structured response mechanism for quality issues, including penalties and compensation for non-compliance. Regular quarterly assessments and continuous improvement initiatives are implemented to maintain and elevate supplier performance.

Logistics and Warehouse

We primarily engage certified third-party logistics providers and our self-owned trucks to transport our products. Our warehouses located in Shenzhen serve as the storage sites for our completed products and inventories. Once products have successfully undergone quality checks, they are moved to the warehouse, where we implement stringent inventory management and control protocols. The products are then shipped to destinations designated by our customers, ensuring a streamlined distribution process.

Production Quality Control

We are dedicated to delivering high-performance products characterized by consistent quality and reliability. We implement strict quality control standards throughout our manufacturing and inventory processes. Our current manufacturing facility holds ISO9001,

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ISO45001 and ISO14001 certifications, underscoring our commitment to quality control and management. Inventories, such as raw materials and components, are rigorously tested at various stages to ensure compliance with our technical specifications.

Our products also undergo multiple demanding quality inspections at all production stages in line with industry standards. Our customer service quality engineers collaborate with our suppliers to benchmark various parameters and standards to ensure the procured materials are reliable and compatible. Furthermore, we monitor key metrics to manage our production line operations effectively. All finished goods will be inspected by our quality control staff before shipment. Our customer service quality engineers staff connects with customers to gather feedback, helping us track issues and continually improve quality. During the Track Record Period and up to the Latest Practicable Date, there were no product recalls related to our products. In addition, during the Track Record Period and up to the Latest Practicable Date, our products had not been subject to any material claim, litigation or investigation.

To ensure that quality manufactured by third parties meets our quality standards, we have established a strict end-to-end control system. First, we set clear entry criteria, including qualification reviews, assessments of equipment and technical capabilities and on-site factory inspections with trial production verification. Second, we sign quality guarantee agreements that define key quality standards, inspection responsibilities and breach of contract liabilities. Finally, we carry out dynamic monitoring during production, including random checks customer service quality engineers, on-site quality control inspections of process parameters and tracking of quality data. During the Track Record Period and up to the Latest Practicable Date, there were not any material quality issues identified by us or any material product quality complaints raised by our customers in relation to the third-party contract manufacturers.

SALES AND MARKETING

We primarily conduct direct sales to our customers, which we believe is critical to predict and address customers' needs. We are passionate about delivering the best experience possible to our customers. During the Track Record Period, we derived substantially all our revenue from direct sales to customers.

As of December 31, 2025, we had a sales and marketing team of 79 personnel. Our sales and marketing team has profound industry knowledge and expertise and works closely with our customers as well as our internal operations teams to promote our products and solutions, in both China and overseas. This dedicated team is tasked with not only promoting our product sales but also enhancing our brand visibility. We also collect feedback from customers to garner insights that help drive our business and operations forward. We utilize offline and online marketing channels such as our e-commerce channels, advertising campaigns and word of mouth. We formulate targeted marketing strategies and organize marketing activities such as exhibitions and social media platforms to meet our business promotion needs and enhance our brand awareness.

Pricing

We price our products by considering a variety of factors, such as product positioning, competitive landscape and procurement and production costs. Our pricing is guided by our operational costs, with a price floor established to ensure sustainability. Depending on the market acceptance of our products, we adopt different pricing strategies. As of December 31, 2025, the price range of our sensors, algorithm modules and robot lawn mowers was from approximately RMB16.0 to approximately RMB800.0, from approximately RMB70.0 to approximately RMB240.0 and from approximately RMB1,800.0 to approximately

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RMB15,000.0, respectively. New generation products incorporating innovative technologies are typically priced at the higher end of the range when first launched. As new products come to market, older generation products usually face more intense competition. While ensuring a reasonable profit margin, we proactively reduce prices to enhance our price competitiveness and capture market share by increasing entry barriers for small and medium-sized competitors. In doing so, we take into account market acceptance, peer pricing and our cost structure to maintain attractive value-for-money offerings. We closely monitor market trends and adjust our prices based on the competitive landscape in the industry. Furthermore, we organize promotional activities periodically to enhance market appeal and drive sales volume, ensuring that our customers benefit from attractive and value-driven offerings.

Sales Channels

During the Track Record, we sold all visual perception products through offline channels. During the same period, we sold our robot lawn mowers through (i) self-operated store on third-party platform, such as Amazon; (ii) our own website, <https://anthbot.com/>; and (iii) offline channels, including authorized stores and retail stores. The table below sets forth the breakdown of our revenue of robot lawn mowers generated from each of the channels:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Third-party platform	–	8,103	47,721
Company's website	–	25	24,981
Offline	63	15,144	64,194
Sub-total	63	23,272	136,896

The customer bases of visual perception products and robot lawn mowers are different. We primarily sell visual perception products to business customers, while our customers of robot lawn mowers are primarily end-consumers. We will continue selling visual perception products through direct offline sales to customers. We do not plan to significantly increase the proportion of distribution channels. For robot lawn mowers, we plan to further expand offline sales channels including engaging with more professional distributors and large retail stores. The following table sets forth our revenue by sales channel for the years indicated.

	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(Renminbi in thousands, except for percentages)</i>					
Direct sales	274,911	99.4	465,133	99.5	86,239	91.8
Distributorship						
– Visual perception products	1,651	0.6	2,017	0.4	3,775	0.5
– Robot lawn mowers	–	–	195	–*	57,759	7.7
	1,651	0.6	2,212	0.5	1,534	8.2
Total	276,562	100.0	467,345	100.0	747,773	00.0

Note:

* Less than 0.1.

During the Track Record Period, we do not allow our distributors to return any products except for cases involving quality issues. This approach effectively prevents our distributors holding on to products they do not want or cannot sell. As a result, our Directors are of the view that there was no material channel stuffing risks arising from our sales through distributors. The Joint Sponsors are of the view that such arrangement with distributors satisfactorily reduces the risk of channel stuffing.

After-sales and Warranty

Our team, equipped with the necessary technical knowledge and experience, is committed to delivering timely and effective assistance to our valued customers. Utilizing our professional after-sales system, we offer high-quality after-sales services.

We typically offer a standard product warranty to customers of our products. We typically offer a warranty of one year. During the warranty period, for any product quality issue which is caused by our fault, we will repair or provide replacement free of charge under certain conditions. As of December 31, 2023, 2024 and 2025, our provisions in relation to product warranties amounted to RMB1.4 million, RMB1.9 million and RMB2.9 million, respectively.

Overseas Sales

During the Track Record Period, we primarily sold our products in mainland China, while our sales in overseas market gradually increased. Our primary overseas markets are Europe and the United States. In 2023, 2024 and 2025, we recorded revenue in Europe of RMB36,000, RMB5.0 million and RMB86.1 million, respectively, and in United States of RMB0.4 million, RMB3.0 million and RMB23.2 million, respectively.

Sales of goods from China may be subject to tariff in overseas market. Our sales to Europe are not subject to tariff in Europe. Our sales to the United States are subject to import tariff under U.S. Trade Act Section 301, IEEPA Fentanyl Tariff and reciprocal tariff. In 2023 and 2024, our sales in overseas market were limited, and foreign tariff policies did not have material impact to our operation. In the first half of 2025, our sales in overseas market, particularly Europe and United States, increased significantly. Nonetheless, our Directors are of the view that foreign tariff policies did not and will not have material impact to our operation. Our sales to the United States are subject to an aggregate of 17.5% tariff as of the Latest Practicable Date. To the best of our knowledge, our overseas customers do not resell our products to the U.S. As of the Latest Practicable Date, we did not experience any order cancellations, pricing adjustments or delivery suspensions from customers. Taking into account of the amount of revenue generated from overseas market, the latest progress in U.S. tariff and our shipment arrangement, we believe impact from U.S. tariff was also limited on our operation during the Track Record Period.

In addition, our robotics manufacturer customers may sell their products that have integrated our visual perception products to overseas markets, and such products may also be subject to existing or new tariffs, trade restrictions or related measures imposed by foreign jurisdictions. To the best of our knowledge and based on the information available to us, during the Track Record Period, certain of our robotics manufacturer customers experienced increases in tariffs on their overseas sales of products integrated with our visual perception products, which in turn compressed their gross profit margins. Taking into account our diversified customer base and the broad range of products we supply, we believe that the impact of such tariffs on our customers was also limited on our operations during the Track Record Period.

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There may be uncertainties as to tariff policies in the United States. See “Risk Factors—Our operations are subject to PRC and overseas tax laws and regulations.” Therefore, we closely monitor changes in tariff policies and are setting up measures in response to potential tariff increase in the United States. For example, we may consider transferring more production capacities of robot lawn mowers to Vietnam. We may also increase the selling price of robot lawn mowers to mitigate cost impact from tariff policies in the United States. According to CIC, this is a common measure to be adopted by sellers of consumer appliances, including peers of the Company, in response to tariff policies.

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, trade secrets and other intellectual property rights are critical to our business operations. We have implemented a set of measures to protect our intellectual property. We rely primarily on a combination of patents, copyrights, trademarks, trade secret and anti-unfair competition laws and contractual rights, such as confidentiality agreements entered into with our employees and customers, to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of our intellectual properties in employment agreements and commercial agreements.

As of the Latest Practicable Date, we had 305 major patents and 24 major software copyrights in the PRC. In addition, as of the Latest Practicable Date, we had 43 major trademarks and three material domain names in the PRC. We also had 237 major patents and 10 major trademarks under application in the PRC. In terms of overseas intellectual properties, we had three major patents, 18 major trademarks and 20 applications under Patent Cooperation Treaty (PCT) as of the Latest Practicable Date, and seven major patents and 25 major trademarks under application as of the same date. For details of our material intellectual properties, please refer to “Statutory and General Information—2. Further information about our business—B. Intellectual Property Rights” set out in Appendix IV to this prospectus.

During the Track Record Period and as of the Latest Practicable Date, we were not subject to any material disputes or claims for infringement upon third parties’ intellectual property rights.

DATA SECURITY AND PERSONAL INFORMATION PROTECTION

We collect and store business data, management data and transaction data that are generated during and in connection with our business operations, including data related to our business activities and transactions with customers, suppliers and other relevant parties. Additionally, we collect and process personal information of our employees, candidate employee and contact persons of our business partners.

During our business operation, we currently collect different types of data under each product line. For algorithm module, we collect telemetry data and operational logs from the devices of enterprise customers’ end-users. For robot lawn mowers, we directly collect end-user data, including registration information, telemetry data, device data and system logs. We do not collect customer data when offering sensor products. In addition, we enter into agreements with customers that may include personal information of customer contact persons in our operation. We currently store all such agreements containing personal information of customer contacts within our internal business information system.

We may occasionally transfer a limited number of employees' personal information across borders when processing orders or purchase orders with international clients and suppliers. To ensure compliance with the Personal Information Protection Law (PIPL) of China, we have implemented appropriate measures to meet the key legal requirements for cross-border data transfers, including but not limited to obtaining consent from personal information subjects and conducting personal information protection impact assessments. Additionally, as we handle a limited volume of personal data transferred from the European Union to China, we are subject to the European Union's General Data Protection Regulation (GDPR). In this regard, we have adopted necessary and proportionate compliance measures, including the execution of GDPR-compliant data cross border transfer agreements (i.e., Standard Contractual Clauses (SCCs)), conducting the cross-border data transfer impact assessments (TIAs), informing EU personal information subjects through privacy policies and obtaining their consent, and implementing the data encryption, strict access controls and other security protection measures, to uphold our obligations under the GDPR.

Data security and personal information protection are among our highest priorities. With the supervision of our data compliance management team, we have implemented strict internal policies on protecting data security and personal information protection, such as the Data Security Management Measures, Personal Information Protection System, and Information Security and Protection Management Measures, to ensure data and information security, optimize data governance, protect the benefits of our customers, business partners, employees and other third parties and ensure compliance with all applicable laws and regulations. Before collecting and processing personal information, we ensure that authorization and consent from the relevant personal information subjects are obtained through privacy policies, personal information processing consent forms, and other appropriate means. Additionally, measures, such as data encryption, backup and access control, are implemented to ensure data storage and usage security. For specific personal information processing scenarios stipulated in the PIPL, we have conducted personal information protection impact assessments and retained the corresponding assessment reports. We implement a robust internal authentication and authorization system to ensure that our confidential and important business data and trade secrets can only be accessed for authorized use and by authorized personnel. We also regularly provide employees with cybersecurity and data compliance training to enhance their information security awareness and have established a mechanism for responding to personal information subject requests, enabling such subjects to exercise their rights conveniently and efficiently. We have an information system that applies multiple layers of safeguards, including both internal and external firewalls, to identify and protect us against security attacks. We intend to continually invest heavily in data security protection.

To ensure compliant with the GDPR, we have appointed a data protection officer to oversee data protection matters in accordance with GDPR. We have also formulated and published an overseas data compliance management system in accordance with relevant GDPR laws and regulations, thereby establishing our overseas data protection framework. With respect to business activities in the European Union, before collecting or processing personal data, we have informed and obtained the relevant personal information subjects' authorization and consent through privacy policies and other means. A series of technical security measures, including but not limited to CloudWatch, AWS Shield, rate-limiting, access controls and data encryption, have been deployed to ensure the security of data storage and usage during our business operations in the European Union.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us on the ground of infringement of any third party's right to data and privacy protection as provided by any applicable laws and regulations in the PRC or other jurisdictions. Considering (i) we have not received any complaint relating to data privacy or security measures; (ii) we have implemented internal policies on protecting data privacy and security to ensure compliance with all applicable laws and regulations; (iii) there had been no material incident of data or personal information leakage during the Track Record Period; (iv) there had been no investigation, legal proceeding or administrative penalty relating to the violation of relevant network security, data security and personal information protection laws or regulations, to our best knowledge, pending or threatened against us initiated by competent government authorities or third parties during the Track Record Period; and (v) we will continue to pay close attention to the regulatory developments in data security and personal information protection fields, and comply with the latest regulatory requirements, our PRC Legal Advisors are of the view that, during the Track Record Period, we had complied with the applicable laws and regulations in material respects, including the requirements under the PIPL and the GDPR.

OUR CUSTOMERS

We have a broad base of customers who procure our sensors, algorithms modules and robot lawn mowers. During the Track Record Period, we did not have any substantial reliance on any single customer. Our revenue generated from our largest customer in 2023, 2024 and 2025 amounted to RMB45.6 million, RMB71.4 million and RMB119.3 million, respectively, and accounted for 16.5%, 15.3% and 16.0%, respectively, of our revenue during the same period. Our revenue generated from our five largest customers in 2023, 2024 and 2025 accounted for 65.1%, 54.3% and 49.8%, respectively, of our revenue during the same period. We have established and maintained stable and good relationships with our five largest customers for each year during the Track Record Period, having a relationship of five years or above with a majority of them.

We also have distributors who purchase sensors and robot lawn mowers. Less than 1.0% of our revenue was from distributors in 2023 and 2024, and 8.2% of our revenue was from distributors in 2025. Such increase was primarily because we procured overseas distributors to sell our robot lawn mowers to rapidly promote our products in overseas market. During the Track Record Period, we did not set any pre-sale targets for these distributors. All of these distributors are independent third parties. We have a seller-buyer relationship with our distributors and relevant revenue is recognized when products are transferred to the distributors, generally upon acceptance of the products as agreed in the sales contracts. Our distributors place orders with us based on market demand and then on-sell our products to their customers. Therefore, we believe our products are at remote risk of channel stuffing in our distribution network.

We generally require distributors to make full payment before we deliver our products to them or grant them a credit period of 30 days after issuing invoice. We generally do not allow returns of products sold to distributors, unless otherwise provided in the sales contract. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material sales returns or product exchanges from our distributors.

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Below is the breakdown of our revenue derived from our five largest customers for each year of the Track Record Period, and their respective background information:

For the year ended December 31, 2023:

Rank	Customer	Types of products sold	Transaction amounts (RMB'000)	Percentage contribution to revenue (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Customer A	Sensors and algorithm modules	45,604	16.5	An unlisted company headquartered in Dongguan that sells smart cleaning and smart household appliances	2019	30 days after receipt of invoice; wire transfer/bank acceptance bill
2 . . .	Customer B	Sensors	44,488	16.1	An unlisted global high-end consumer electronics and intelligent robotics company headquartered in Suzhou	2022	60 days after receipt of invoice; wire transfer/bank acceptance bill
3 . . .	Customer C	Sensors and algorithm modules	37,882	13.7	An unlisted company headquartered in Shenzhen that sells household service robot	2018	90 days after receipt of invoice; wire transfer/bank acceptance bill
4 . . .	Customer D	Sensors and algorithm modules	33,596	12.1	An unlisted company headquartered in Shenzhen offering smart home cleaning product and solution	2020	30 days after receipt of invoice; wire transfer/bank acceptance bill
5 . . .	Customer E	Sensors	18,554	6.7	An unlisted robot ODM company headquartered in Shenzhen	2022	30 days after receipt of invoice; cheque
	Sub-total		180,124	65.1			

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For the year ended December 31, 2024:

Rank	Customer	Types of products sold	Transaction amounts (RMB'000)	Percentage contribution to revenue (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Customer B	Sensors	71,434	15.3	An unlisted global high-end consumer electronics and intelligent robotics company headquartered in Suzhou	2022	60 days after receipt of invoice; wire transfer/bank acceptance bill
2 . . .	Customer F	Sensors	66,256	14.2	An unlisted innovative company headquartered in Shenzhen that sells household robot	2021	90 days after receipt of invoice; wire transfer
3 . . .	Customer D	Sensors and algorithm modules	57,275	12.3	An unlisted company headquartered in Shenzhen offering smart home cleaning product and solution	2020	30 days after receipt of invoice; wire transfer/bank acceptance bill
4 . . .	Customer C	Sensors and algorithm modules	30,311	6.5	An unlisted company headquartered in Shenzhen that sells household service robot	2018	90 days after receipt of invoice; wire transfer/bank acceptance bill
5 . . .	Customer G	Sensors and algorithm modules	28,265	6.0	An advanced provider of consumer electronics and new energy storage product listed on Shenzhen Stock Exchange and headquartered in Dongguan	2023	30 days after receipt of invoice; wire transfer
	Sub-total		253,541	54.3			

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For the year ended December 31, 2025:

Rank	Customer	Types of products sold	Transaction amounts (RMB'000)	Percentage contribution to revenue (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Customer C	Sensors and algorithm modules	119,340	16.0	An unlisted company headquartered in Shenzhen that sells household service robot	2018	60 days after receipt of invoice; wire transfer/bank acceptance bill
2 . . .	Customer B	Sensors	84,498	11.3	An unlisted global high-end consumer electronics and intelligent robotics Company headquartered in Suzhou	2022	60 days after receipt of invoice; wire transfer/bank acceptance bill
3 . . .	Customer D	Sensors and algorithm modules	63,349	8.5	An unlisted company headquartered in Shenzhen offering smart home cleaning product and solution	2020	30 days after receipt of invoice; wire transfer/bank acceptance bill
4 . . .	Customer G	Sensors and algorithm modules	59,797	8.0	An advanced provider of consumer electronics and new energy storage product listed on Shenzhen Stock Exchange and headquartered in Dongguan	2023	30 days after receipt of invoice; wire transfer
5 . . .	Customer H	Sensors	44,835	6.0	A wholly-owned subsidiary of a group listed on the Hong Kong Stock Exchange, focusing on the R&D of communication technology and intelligent hardware business and headquartered in Beijing	2024	90 days after the end of each calendar month; wire transfer
Sub-total			371,819	49.80			

During the Track Record Period, all of our other five largest customers for each year during the Track Record Period were Independent Third Parties. None of our Directors, their close associates or any of our shareholders (who, to the knowledge of the Directors, own more than 5% of our issued share capital) had any interest in any of our five largest customers for each year during the Track Record Period and as of the Latest Practicable Date.

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The summary of the salient terms of our standard agreements with our robotics manufacturer customers who procured our sensors and algorithm modules during the Track Record Period are set out below:

- *Product Specifications.* We engage with our customers to offer sales of sensors and algorithm modules, which we will test for our customers' specified product models. Product specifications will be set forth under separate purchase order or purchase agreement.
- *Payment and credit terms.* Our customers are generally required to pay within 30 to 90 days upon receipt of invoice.
- *Warranty.* We typically offer a standard product warranty to customers of our products. See “—Sales and Marketing—After-Sales and Warranty.”
- *Indemnification.* We shall indemnify our customers for losses or damages if our customers have incurred reasonable costs in reliance of our product delivery. If we did not deliver product as agreed, we shall indemnify the relevant customers.
- *Amendments.* Amendments of the specification can only be made upon written agreement between our customer and us.
- *Termination.* Customers generally are entitled to change or cancel orders placed under the purchase order. Upon receiving a customer's written notice to change or cancel an order, we will provide a written response on whether we can accommodate it and set out any additional fees or costs. Our production schedule is typically arranged one week in advance. If an order is changed or canceled before it is scheduled for production, the customer will generally be required to bear the costs of any customized raw materials and components that we have prepared for such order as well as any increased procurement costs or other necessary adjustments. If an order is changed or canceled after it has been scheduled for production, the customer will generally be required to bear the full production costs of the relevant products. We will engage in good faith discussion with customers on an equitable price adjustment or change in delivery or shipment conditions upon change or cancellation of certain orders. The framework agreement typically does not provide for specific provisions regarding its duration or renewal.

In the years ended December 31, 2023, 2024 and 2025, we recorded an aggregate reduction in order amounts arising from changes to and cancellations of customer orders of RMB4.4 million, RMB6.5 million and RMB7.8 million, respectively, accounting for 1.6%, 1.4% and 1.0% of our revenue in the same years, respectively. Among these, changes to orders resulted in decreases in order amounts of RMB1.1 million, RMB2.5 million and RMB1.6 million, respectively, while order cancellations resulted in decreases of RMB3.3 million, RMB4.0 million and RMB6.2 million, respectively, during the same years. The increase in such amounts were generally in line with our revenue growth and mainly resulted from adjustments to customers' sales forecasts or manufacturing plans. According to CIC, such order changes and cancellations are not uncommon in the industry. Our Directors are of the view that such amount did not have material impact on our business operation and financial condition. Nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on the Company's view.

OUR SUPPLIERS

Our suppliers primarily consist of providers for raw materials and components including optical components, structural components and electronic components. Our transaction amounts with our largest supplier in 2023, 2024 and 2025 amounted to RMB16.2 million, RMB44.8 million and RMB26.6 million, respectively, and accounted for 9.9%, 13.6% and 5.1%, respectively, of our total purchase during those periods. Our transaction amounts with our five largest suppliers in 2023, 2024 and 2025 accounted for 35.3%, 42.5% and 22.8%, respectively, of our total purchase. During the Track Record Period, we primarily settled our payments to our suppliers by bank transfer. We have established and maintained stable and good relationships with our five largest suppliers for each year during the Track Record Period, having a relationship of five years or above with a majority of them.

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Below is the breakdown of our five largest suppliers for each year during the Track Record Period, and their respective background information:

For the year ended December 31, 2023:

Rank	Supplier	Types of products purchased/services provided	Transaction amounts (RMB'000)	Percentage contribution to total purchase (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Supplier A	Processing service	16,248	9.9	A company listed on Shenzhen Stock Exchange and headquartered in Shenzhen providing electronic modules, optical components, electronic components and processing services	2020	60 days after receipt of invoice; wire transfer/bill payable
2 . . .	Supplier B	Lens and laser tube module	15,017	9.1	An unlisted company headquartered in Shenzhen providing optical components and digital electronic products	2020	60 days after receipt of invoice; wire transfer/bill payable
3 . . .	Supplier C	Sensor integrated circuit	10,056	6.1	An unlisted company headquartered in Shenzhen providing electronic components, opto-electronic products and integrated circuits	2019	60 days after receipt of invoice; wire transfer
4 . . .	Supplier D	PCB board	9,476	5.8	An unlisted company headquartered in Shenzhen providing electronic products and circuit boards	2021	60 days after receipt of invoice; wire transfer/bill payable
5 . . .	Supplier E	Resistors and capacitors, processor and other integrated circuit	7,329	4.5	An unlisted company headquartered in Xiamen providing mechanical equipment, electronic products and offering software development and integrated circuit design	2019	60 days after receipt of invoice; wire transfer/bill payable
	Sub-total		58,126	35.3			

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For the year ended December 31, 2024:

Rank	Supplier	Types of products purchased/services provided	Transaction amounts (RMB'000)	Percentage contribution to total purchase (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Supplier B	Lens and laser tube module	44,792	13.6	An unlisted company headquartered in Shenzhen providing optical components and digital electronic products	2020	60 days after receipt of invoice; wire transfer/bill payable
2 . . .	Supplier A	Processing service	44,479	13.5	A company listed on Shenzhen Stock Exchange and headquartered in Shenzhen providing electronic modules, optical components, electronic components and processing services	2020	60 days after receipt of invoice; wire transfer/bill payable
3 . . .	Supplier F	Sensor integrated circuit	21,521	6.5	An unlisted company headquartered in Shanghai providing electronic products, electronic components and assemblies	2021	60 days after receipt of invoice; wire transfer/bill payable
4 . . .	Supplier E	Resistors and capacitors, processor and other integrated circuit	17,193	5.2	An unlisted company headquartered in Xiamen providing mechanical equipment, electronic products and offering software development and integrated circuit design	2019	60 days after receipt of invoice; wire transfer/bill payable
5 . . .	Supplier D	PCB board	12,245	3.7	An unlisted company headquartered in Shenzhen providing electronic products and circuit boards	2021	60 days after receipt of invoice; wire transfer/bill payable
	Sub-total		140,230	42.5			

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For the year ended December 31, 2025:

Rank	Supplier	Types of products purchased/ services provided	Transaction amounts (RMB'000)	Percentage contribution to total purchase (%)	Background and principal business activities	Year of commencement of relationship with the Group	Credit term and payment method
1 . . .	Supplier E	Resistors and capacitors, processor and other integrated circuit	26,577	5.1	An unlisted company headquartered in Xiamen providing mechanical equipment, electronic products and offering software development and integrated circuit design	2019	60 days after receipt of invoice; wire transfer/ bill payable
2 . . .	Supplier G	Processor	26,219	5.0	An unlisted company headquartered in Shenzhen providing electronic products, electronic components and assemblies	2022	30 days after receipt of invoice; wire transfer
3 . . .	Supplier H	Sensor integrated circuit	25,147	4.8	A subsidiary of a HKEX listed company headquartered in Shenzhen providing semiconductor devices, integrated circuits, electronic components, electronic components and connectors	2024	30 days after receipt of invoice; wire transfer/bill payable
4 . . .	Supplier B	Lens and laser tube module	22,430	4.3	An unlisted company headquartered in Shenzhen providing optical components and digital electronic products	2020	60 days after receipt of invoice; wire transfer/ bill payable
5 . . .	Supplier I	Electric motor	18,240	3.5	An unlisted company headquartered in Shenzhen providing precision motors, precision electric actuators, motor products, electromechanical equipment and electronic products	2023	60 days after receipt of invoice; wire transfer/bill payable
	Sub-total		118,613	22.8			

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During the Track Record Period, all of our other five largest suppliers for each year during the Track Record Period were Independent Third Parties. None of our Directors, their close associates or any of our shareholders (who, to the knowledge of the Directors own more than 5% of our issued share capital) had any interest in any of our five largest suppliers for each year during the Track Record Period and as of the Latest Practicable Date.

The summary of the salient terms of our agreements with our major suppliers during the Track Record Period are set forth below:

- *Product specifications.* We specify the product name, manufacturer or brand, specification, price, quantity, delivery timeline and other detailed items in each purchase order we send to our suppliers.
- *Payment and delivery.* We are responsible for timely payment to suppliers, who are responsible for delivery of products to our designated location specified in each purchase order. We generally pay our suppliers within three months upon receipt of invoice.
- *Quality control.* We inspect the products upon receipt to determine any deviations from our requirements with respect to quality and quantity and notify suppliers in writing of any such deviations. We have the right to reject and return any products that do not meet our requirements.
- *Transfer of risk.* The risk transfers to us after we complete inspection and confirm receipt of the products.
- *Subcontracting.* Subcontracting is not allowed without our consent.
- *Confidentiality.* All confidential information provided by either party shall be used solely for the purposes of cooperation pursuant to the agreements and shall not be disclosed to any third party without prior written consent.
- *Product recalls and return.* We have the right to return or replace products for a variety of reasons, including non-conformity with product specifications or quantity with the order placed.
- *Termination.* The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our major customers were also our suppliers. These overlapping customers and suppliers purchase our visual perception products and, at the same time, may provide processing services in relation to complete robot to us.

For the years ended December 31, 2023, 2024 and 2025, we had one, one and one of our five largest customers that were also our suppliers, respectively. In the same years, our aggregated sales to these major customers was RMB45.6 million, RMB28.3 million and RMB59.8 million, respectively, and our aggregated purchase amount from these major customers was RMB385,514, RMB1.2 million and RMB10.6 million, respectively.

Customer A, one of our five largest customers in 2023, was also our supplier in 2023. Customer A is an original design manufacturer company, specializing in the R&D and production of smart cleaning and smart household appliances. During the Track Record Period, Customer A purchased sensors and algorithm modules from us for integration into its own products, and also served as our third-party contract manufacturer for the assembly of certain complete robot products and the production of moulds. In 2023, 2024 and 2025, our sales to Customer A amounted to RMB45.6 million, RMB2.3 million and nil, accounting for 16.5%, 0.5% and nil of our revenue during the same periods, respectively. Our gross profit generated from sales to Customer A in 2023, 2024 and 2025 was RMB18.7 million, RMB1.0 million and nil, respectively, representing gross profit margins of 41.1%, 45.3% and nil, respectively. According to CIC, for sales of components to original brand manufacturer (OBM) customers, OBMs typically have greater pricing power while the pricing flexibility of suppliers is limited, resulting in relatively lower gross profit margins for suppliers. By contrast, for original equipment manufacturer (OEM) and original design manufacturer (ODM) customers, suppliers are generally able to obtain greater pricing power and achieve higher gross profit margins. During the Track Record Period, the customers of our visual perception products comprised OBM, OEM and ODM customers, and as a result, our overall gross profit margin of our visual perception products was lower than the gross profit margin that we generated from certain OEM or ODM customers. Customer A was one of our ODM customers, we have relatively strong bargaining power in our transactions with Customer A, and consequently our gross profit margin from sales to Customer A was relatively high.

Customer G, one of our five largest customers in 2024 and 2025, was also our suppliers in 2024 and 2025. Customer G is an original equipment manufacturer company specializing in consumer electronics and new energy storage products. Customer G also commenced original design manufacturing service since 2023. During the Track Record Period, Customer G purchased sensors and algorithm modules from us for integration into its own products, and also served as our third-party contract manufacturer for the assembly of our robot lawn mower products. In 2023, 2024 and 2025, our sales to Customer G amounted to RMB167,876, RMB28.3 million and RMB59.8 million, accounting for 0.06%, 6.1% and 8.0% of our revenue during the same periods, respectively. Our gross profit generated from sales to Customer G in 2023, 2024 and 2025 was RMB141,429, RMB11.5 million and RMB23.0 million, respectively, representing gross profit margins of 84.3%, 40.6% and 38.4%, respectively. For OEM customers, we generally have relatively strong bargaining power in our pricing arrangements. And therefore the gross profit margin from sales to such customers, including Customer G, was relatively higher than our overall gross profit margin during the Track Record Period. In particular, the gross profit margin of 84.3% from sales to Customer G in 2023 was primarily attributable to Customer G's commencement of its robot vacuum business in 2023, during which it purchased from us a testing system comprising both hardware and software. The transaction amount was relatively small in absolute terms and was non-recurring in nature.

Our Directors confirm that all our sales to and purchases from the overlapping customers and suppliers were conducted at arm's length in the ordinary course of business, and under normal commercial terms. All these companies are Independent Third Parties. Our Directors also confirm that prices of the transactions with overlapping customers and suppliers are comparable to similar transactions conducted with other comparable customers and suppliers.

SEASONALITY

The sales performance of our products is generally subject to seasonal fluctuations. For our sensors business line, we typically record higher revenue in the months before the sales seasons (such as the Black Friday, Christmas and New Year), as our robotics manufacturer

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customers increase their production volume in preparation for such sales seasons. For our robot lawn mowers business line, we typically record higher revenue in the summer, as the need for lawn mowing is most substantial in the summer.

COMPETITION

The market competition of visual perception technology industry and robot lawn mower industry is intense. We face competition in every major aspect of our business. We compete mainly on product functionality and scope, performance, service scalability and reliability, technical strengths, marketing and sales capabilities, user experience, pricing, brand awareness and reputation. In addition, emerging and enhanced technologies are likely to further intensify competition of our industry. For details, please refer to “Industry Overview—Analysis of Global Intelligent Robot Visual Perception Technology Market—Competitive Landscape.”

For our visual perception products, we will continue to upgrade and iterate existing product portfolio to enhance cost advantages by leveraging technology, accumulated experience and economies of scale. At the same time, we are constantly developing and launching differentiated new products, further strengthening our product competitiveness. Through these efforts, we plan to strengthen our existing position and market share in household robotics market and, at the same time, accelerate our expansion into commercial and industrial robotics markets.

For our robot lawn mowers, we will continue to iterate and optimize products and technical solutions relying on our expertise and experience in visual perception. Our goal is to deliver fully intelligent, ready-to-use products that provide an enhanced user experience. We will also continuously expand and refine product features to meet a broader range of essential consumer needs, thereby increasing product competitiveness across the board. We are also expanding both online and offline sales channels and gradually building local sales and operations teams. We will increase investments in brand development to support rapid growth in sales volume and market share.

EMPLOYEES

As of December 31, 2025, we had 778 full-time employees. The following table sets forth the number of our employees by function as of December 31, 2025:

	As of December 31, 2025	
	Number	%
Function		
Management	88	11.3
Research and development	271	34.8
Sales	79	10.2
Production and manufacturing	340	43.7
Total	<u>778</u>	<u>100.0</u>

We believe that our success depends on our ability to attract, retain and motivate qualified talents. We primarily recruit our employees through recruitment agencies, campus job fairs, internal referral programs and online channels, including our company website and social networking platforms. As part of our recruiting and retention strategy, we have established training programs that cover topics such as corporate culture, employees’ rights and responsibilities, team building, compliance and job performance.

We enter into standard employment, confidentiality and non-compete agreements with our employees. We participate in housing provident funds and various employee social security plans that are organized by applicable local governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

We offer competitive salaries, performance-based promotion, RSU, bonuses and other incentives. We believe that we maintain a good working relationship with our employees, and we have not experienced any labor strikes, material labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, we were involved in labor arbitration cases with our former employees arising from the termination of their employment, and the aggregate amount of compensation paid was less than RMB1.0 million. As of the Latest Practicable Date, all of the relevant arbitration proceedings had been settled. Our Directors are of the view that these cases and the related compensation were not material and have not had, and are not expected to have, any material adverse impact on our business operations or financial condition. Having considered the results of the said arbitrations above, the Joint Sponsors are of the view that they would not have any material adverse impact on the Company's business operations or financial conditions.

Insufficient Social Insurance and Housing Provident Fund Contribution

Pursuant to applicable laws and regulations in the PRC, we are required to participate in social insurance plans and make housing provident fund contribution for our employees. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full, primarily because (i) certain employees were unwilling to pay social insurance and housing provident funds in full as it requires additional contributions from them; and (ii) our human resources staff do not fully understand the relevant provisions of applicable PRC laws and regulations. In 2023, 2024 and 2025, such shortfalls amounted to RMB16.6 million, RMB14.8 million and RMB20.2 million, respectively, accounting for approximately 16.6%, 14.6% and 14.4% of our total wages payable for the same periods, respectively. As advised by our PRC Legal Advisors, the relevant authorities could order an employer who fails to make social insurance contributions in full to pay, within a prescribed time limit, the outstanding social insurance contribution amount with an additional late payment penalty at the daily rate of 0.05%, and if the such employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. In addition, if any employer fails to register and establish an account for housing provident funds for its employees, the authority could order such employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000. If the employer fails to make corrections or fails to pay fines within the prescribed time limit, the relevant authority could make an application to a People's Court of the PRC for compulsory enforcement. See "Risk Factors—Failure to make adequate contributions to social insurance contributions and housing provident fund as required by PRC regulations may subject us to penalties."

As of the Latest Practicable Date, we had not received any administrative action, fine or penalty from the relevant authorities. Based on the confirmation during our interviews with the relevant competent authorities, they confirm that they would not normally take initiatives to investigate and penalize enterprises for any shortfall agreed between the enterprises and their employees. In view of the above, our PRC Legal Advisors are of the view that the risk of the competent authorities imposing penalties on us is remote. Based on the opinion of our PRC Legal Advisors, we are of the view that no provision is required for payments with respect to social insurance and/or housing provident funds.

To ensure our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken internal control measures including: (i) we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds; (ii) we aim to improve our employees' understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds. We have implemented policies specifying that social insurance and housing fund contributions should be made in accordance with relevant regulations; (iii) we are communicating with employees on a monthly

basis regarding the payment of social insurance and housing fund contributions; and (iv) we will consult our PRC legal advisors on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds. Our internal consultant is of the view that our enhanced internal control measures are adequate and effective upon continuous implementation.

We are in the process of communicating with such employees with a view to seeking their understanding and cooperation in complying with the applicable local practices and policies, which also require additional contributions from our employees. We will continue to work with our employees to make social insurance and housing provident fund contributions in accordance with the relevant PRC laws and regulations. We will use our best efforts to liaise with our employees to rectify the current situation. It is expected that the rectification of these matters for our key management personnel and newly recruited staff will be completed by the end of the year ending December 31, 2026, and we expect to continue the rectification for our other existing staff on a best-effort basis.

PROPERTIES

Our headquarters is located in Shenzhen, Guangdong Province. We do not own any properties as of the Latest Practicable Date. As of the Latest Practicable Date, we leased 20 properties in the PRC with an aggregate gross floor area of approximately 34,308 square meters. Our leased properties are primarily used as factories, offices for sales and marketing and general administration and employee dormitories.

Non-registration of Lease Agreement

Under the relevant PRC laws and regulations, parties to a lease agreement are obligated to register and file an executed lease agreement with the relevant local housing administrative authorities. As of the Latest Practicable Date, we did not register and file lease agreements with the relevant local housing administrative authorities with respect to 20 of our leased premises that are primarily used as factories and offices. We did not make such registration and filing because the relevant lessor failed to provide necessary documents and perform necessary procedures for lease registration, which are beyond our control. As advised by our PRC Legal Advisors, failing to complete the registration of lease agreements within the stipulated period may result in fines ranging from RMB1,000 to RMB10,000 for each unregistered lease, with a potential maximum penalty of RMB200,000.

As of the Latest Practicable Date, we had not been required by the relevant local housing administrative authorities to complete these registrations, nor had we been penalized or fined by the authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant local housing administrative authorities. In view of the above, our PRC Legal Advisors are of the view that the risk of the competent authorities imposing penalties on us with respect to non-registration of lease agreement is remote. In addition, given that the maximum penalty amount is limited, and the relevant local housing administrative authorities may grant a grace period before imposing such penalty, our Directors believe that these incidents would not have any material adverse effect on our business, financial position or results of operations. Based on the above, we are of the view that no provision is required for payments with respect to non-registration of lease agreement. See “Risk Factors—Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties and failure to renew our leased properties may adversely affect our business.”

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To ensure our compliance with relevant laws and regulations in respect of registration of lease agreement, we have taken the following internal control measures. Our internal consultant is of the view that our enhanced internal control measures are adequate and effective upon continuous implementation.

- When leasing factory or properties through a property management company, we must review the following documents before signing the contract: (i) property ownership documents to ensure that the owner information on the property ownership certificate or real estate certificate is consistent with the lease relationship; (ii) if applicable, authorization documents if such property is subleased. Such authorization must be a written consent issued, stamped and signed by the property owner, clearly stating the scope, authority and term of the sublease, ensuring that it covers the proposed lease period and the property; and (iii) the lease registration certificate, which is the original “Property Lease Contract Registration Certificate” issued by the property management company and the owner, must be verified to match the address and information of the actual leased property.
- All lease agreements that have a significant impact on our operations, such as long-term leases, large-rent agreements and leases of core business premises, must be filed with the relevant authorities. After the lease agreement is signed, we should promptly designate a team to follow up on the completion of such filing.

INSURANCE

Our employee-related insurance consists of pension insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. During the Track Record Period, we did not make any material insurance claim in relation to our business.

We believe our insurance policy complies with the relevant rules and regulations in the PRC. For details, please refer to “Risks Factors—Risks Relating to Our Business and Industry—Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations, financial condition and prospects.” in this prospectus.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant regulatory authorities that are material to our operations in China.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any administrative penalties, bankruptcy or receivership proceedings), which we believe would have a material adverse effect on our business, results of operations or financial condition. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which we believe would have a material adverse effect on our business, results of operations or financial condition.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that we believe would have a material adverse effect on our business, results of operations or financial condition. We had certain non-compliance incidents during the Track Record Period. See “—Employees” and “—Properties.”

During the Track Record Period and as of the Latest Practicable Date, we have not experienced any major errors, defects, security vulnerability or service interruption in our services and solutions, nor have we been subject to any material claims brought against us by any of our customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to contributing to environmental, social and governance (ESG) and actively promoting the sustainable development of a green economy and a green society. Our ESG contributions mainly come from manufacturing, social responsibility, talent cultivation, standardized governance and green office. We believe our continued growth rests on integrating social values into our business. We endeavor to utilize our technology and solutions to offer public welfare resources to everyone. Since the inception of our operations, we have established various environmental, social and governance initiatives to improve our corporate governance and benefit society.

Our Board’s Commitment

Our Board is responsible for evaluating and managing material ESG issues. Our management is responsible for developing our ESG strategy, policy and reporting, including assessing and managing environmental and climate-related risks, with oversight provided by the Board. Our senior management is specifically in charge of (i) designating a representative who will be in charge of determining the responsibilities and authority of each department head with regard to ESG matters; (ii) approving our environmental objectives and employee training plans; (iii) making sure there are enough resources available to establish, implement, and maintain the environmental management system; (iv) assessing and mitigating our ESG risks on a regular basis; and (v) taking action in response to potential ESG accidents.

Compliance with Regulations

We are subject to evolving and increasingly stringent environmental, occupational, health and safety laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any significant accident or claim for personal or property damage made by our employees, or, as advised by our PRC Legal Advisors, subject to any material fines or other penalties due to non-compliance in relation to environmental, health or occupational safety laws and regulations, which had materially and adversely affected our financial condition or business operations.

Environmental responsibility

We are committed to reducing our environmental impact. In addition to adhering to local legal requirements, we are dedicated to continuously improving our environmental and energy management systems, which are certified under the international standard ISO 14001. Our efforts are focused on balancing sustainable development with business growth, reducing resource consumption, minimizing waste production, and adhering to the ISO 14001 standard, as well as all pertinent environmental laws and regulations in the regions where we operate.

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The following table sets forth our electricity and water consumption of our manufacturing facility during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
Electricity consumption (kWh)	1,356,268	2,665,722	3,521,153
Water consumption (m ³)	4,717	11,854	12,187

Electricity and water consumption in our manufacturing facility increased during the Track Record Period due to our rapid business expansion. During the Track Record Period, our electricity consumption increased significantly because we expanded our factory space to satisfy the growing sales volume of visual perception products, which had led to significant increases in electricity consumption.

Our water consumption generally increased, which was primarily due to our business growth and the increase in our employees. In 2025, we implemented water-saving initiatives, which helped us maintain a stable level of water consumption despite the rapid increase in our business expansion.

We intend to continually reduce the level of our energy consumption. We will implement the following measures: (i) promoting the application of new technologies, processes and equipment for saving energy, and taking energy efficiency indicators into consideration in the procurement process; (ii) enhancing the education and training relating to energy emission reduction for all employees; and (iii) prioritize hardware and software suppliers who have obtained recognized environmental certifications to demonstrate a strong commitment to sustainable practices. This collaborative approach fosters a collective effort towards sustainability.

Waste discharge

During the Track Record Period, the hazardous waste we produced mainly came from production leftovers, including used filters, organic solvent detergents and empty chemical containers. Although we have experienced fast expansion of our business operations, we were able to relatively control the volume of hazardous waste. We have taken steps to enhance our production efficiency and reduce hazardous waste generation. These steps include refining our manufacturing processes and implementing environmental criteria in our supplier selection process. For example, we prioritize suppliers who meet our environmental standards and those of our customers, and we prefer suppliers who have not been involved in environmental incidents.

The amount of hazardous waste we discharged during the Track Record Period had continued to increase due to our rapid business expansion. In 2023, 2024 and 2025, we had production leftover hazardous waste of 0.2575 ton, 0.4708 ton and 0.6938 ton, respectively.

We recognize that climate changes present both risks and opportunities for our business and operation. In response, we have implemented, and plan to further develop, measures to proactively address these challenges, aiming to enhance resilience and capture potential opportunities arising from the climate changes. We continually seek opportunities and implement strategies to minimize our waste production. These strategies include: (i) employing lean manufacturing principles to reduce production waste and enhance material efficiency; (ii) conducting training and awareness programs to cultivate a culture of waste reduction and environmental stewardship among our employees; and (iii) implementing material classification programs aimed at recycling waste and excess materials.

Social Responsibility

Occupational Health and Safety

We emphasize the importance of the occupational health and safety of our employees. We are subject to various safety laws and regulations in the jurisdiction in which we operate. Further details on these regulations are provided in the “Regulatory Overview—Laws and Regulations on Production Safety.”

To ensure the health and safety of our employees, we have implemented a series of measures, including adopting an environment, health and safety system, for which we have obtained necessary certifications. We conduct regular training sessions focused on health, safety and accident prevention, and provide the required protective equipment to our employees. Our employees are mandated to use and maintain this equipment in accordance with our internal guidelines.

Throughout the Track Record Period and as of the Latest Practicable Date, we have complied to all applicable health and work safety laws and regulations in all material respects, secured all necessary permits and approvals for our operational production bases, and have experienced no safety-related incidents that could materially impact our operations.

Business Ethics

We require all our employees to adhere strictly to the business ethics. Specifically, we have implemented a set of policies to ensure our operations comply with applicable anti-bribery and anti-corruption regulations in jurisdictions where we operate. The policies explain potential bribery and corruption conduct and our anti-bribery and anti-corruption measures. Improper payments prohibited by the policy include bribes, kickbacks, excessive gifts or facilitation payment, or any other payment made or offered to obtain an undue business advantage. Our legal department is responsible for investigating the reported incidents and taking appropriate measures as necessary. We also have regular trainings for employees regarding anti-bribery and anti-corruption policies to facilitate better implementation. During the Track Record Period, we did not receive reporting of material bribery, corruption and other serious violations of business ethics.

Board and Management Diversity

We have adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and sees increasing diversity at our Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. With respect to gender diversity, Dr. Yan Hongyu, having extensive experience in finance management and internal control, contribute to gender diversity of our Board and our senior management. We will continue to enhance our Board’s gender diversity upon Listing. For example, we will actively identify female individuals suitably qualified to become our Board members. To further ensure gender diversity in a long run, our Nomination Committee will periodically review our board diversity policy and its implementation to ensure its implementation and monitor its continued effectiveness, and the same will be disclosed in our corporate governance report, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. When we hire additional personnel in line with our business expansion, we will also take into consideration factors such as gender diversity and gender balance among our workforces.

Management of ESG-related Risks

Overseen by the Board, our senior management team is responsible for the identification, assessment and management of ESG-related risks.

- *Identification.* We identify ESG-related risks pursuant to the relevant guidance issued by the Hong Kong Stock Exchange and in light of industry trends and circumstances. We identify and record ESG issues that are closely relevant to our operations.
- *Assessment.* We refer to the standards issued by the Sustainability Accounting Standards Board and industry benchmarks and assess ESG issues. We invite stakeholders, including directors, senior management, employees, suppliers and partners, to participate in surveys and discussions on these issues. We then analyze the results of these surveys and prioritize potential material issues. Our Board, together with our management team, discuss such results and take necessary actions.
- *Confirmation.* We have confirmed the following key aspects that are material to our sustainable development after the Board and our management team review and finalize the ESG issues:
 - o Environmental responsibility: energy savings and emission reduction, pollution control and response to climate change.
 - o Social responsibility: occupational health and work safety, supplier management, customer management and product safety and quality.

With respect to these key ESG issues, we have established a framework to identify and assess ESG-related risks and measures to mitigate such risks.

- *Energy savings and emission reduction.* We have implemented intelligent power off strategies by installing automated switches and systems to turn off lights and air-conditioning during lunch time and after work to conserve electricity. We also promote environmental awareness among employees by displaying water-saving signage in washrooms, pantries and dormitories and use sensor-activated taps in offices. Pipes and taps are regularly inspected, and any leaks are repaired promptly to reduce water consumption. Additionally, we optimize computer and printer settings for duplex and draft mode printing. Printers require account login before printing, and erroneous or unnecessary print jobs can be deleted at the desktop, further reducing paper usage.
- *Occupational health and work safety.* We strictly comply with the PRC Work Safety Law and other relevant laws and regulations in our place of operation. We have established a series of policies on production safety and health protection, such as the fire safety management policy, the emergency fire response plan and the employee health management policy. We are also attentive to employees' physical and mental wellbeing, for example, by fostering a harmonious and welcoming work environment. We regularly conduct satisfaction surveys on administrative services (covering daily services, company benefits and office equipment, among other). Our human resources department collects and analyzes feedback, compiles adjustment proposals, and senior management and department leaders subsequently review survey results and suggestions. Additionally, we provide accident insurance for certain employees to mitigate possible economic losses further to statutory work

injury and maternity insurance. We also offer annual medical check-up benefits as a preventive health measure. We have obtained ISO 45001:2018 Occupational Health and Safety Management System certification.

- *Supplier management.* We are committed to establishing clear supplier management procedures and implementing robust supplier risk control processes to guide supply chain management. Our procurement, R&D and quality control departments lead the supplier onboarding process. To manage ESG risks within the supply chain, we require suppliers to comply with our ESG standards. For example, our supplier contracts specify obligations to comply with relevant laws and regulations regarding safety, reliability, hazardous substances, environmental protection and energy conservation and social responsibility. Based on business needs, we usually require suppliers to provide environmentally friendly products, encouraging them to minimize raw material use in both production and design processes.

Supplier assessments are based on the following criteria: quality management system documents, procurement and supplier management, engineering management, warehouse management, quality management and product management. Only suppliers that meet these criteria are considered for onboarding or selection. To build a more sustainable and resilient supply chain, we actively promote a localization strategy to reduce logistics distances and resulting greenhouse gas emissions. As of the Latest Practicable Date, approximately 80.0% of our suppliers are located in the Pearl River Delta.

- *Customer management.* We guide and enable customers to carry out responsible environmental practices through product design, education and recycling initiatives. In terms of product design, we follow eco-design principles, such as developing products that are more energy-efficient, durable, repairable and recyclable. For example, our LiDAR products follow a miniaturized, low-power design, enabling energy savings.

We also use recyclable, degradable or minimal packaging to ease the burden of packaging waste disposal for customers. We are dedicated to establishing circular recycling systems, implementing recycling programs for all packaging materials, including product cartons, pallets and pearl cotton. For example, during 2024 and the first half of 2025, we recovered approximately 35,000 cartons from customers, generating savings of about RMB850,000, and 170,000 pearl cotton pads were recycled, saving an estimated RMB650,000. These efforts have effectively conserved resources and improved resource reuse rates.

- *Product safety and quality.* We take active measures to ensure product quality and safety by strictly managing every stage of production. We enforce quality control procedures, including detailed incoming, in-process and finished product inspections. Our commitment to high standards is reflected in our certifications, which include but are not limited to ISO 9001:2015 and ISO 14001:2015 Environmental Management System certification. In product development, we comply with relevant environmental regulations such as the European Union's ROHS, REACH SVHC & Annex XVII, and WEEE. Environmental impact, particularly with respect to resource consumption, is addressed from the earliest stages of product design and selection of raw materials.

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The following table sets forth our scope 1, scope 2 and scope 3 carbon dioxide emissions during the Track Record Period:

	For the Year Ended December 31,		
	2023	2024	2025
Scope 1 (ton)	15.4	18.0	19.3
Scope 2 (ton)	1,064.6	2,092.6	2,764.1
Scope 3 (ton)	517	615	828

In 2023, 2024 and 2025, we incurred approximately RMB79,800, RMB75,109 and RMB65,025 to ensure compliance with ESG matters, respectively. During the Track Record Period and up to the Latest Practicable Date, we complied with relevant environmental and occupational health and safety laws and regulations in all material aspects, and we did not encounter any environmental or occupational health related incidents or complaints that would have any material adverse impact on our business, financial condition, or results of operation.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining robust risk management and internal control systems tailored to our business operations, with a continuous focus on enhancing their effectiveness. We continually review the implementation of our risk management and internal control policies and procedures to enhance their effectiveness and sufficiency.

Financial Reporting Risk Management

Our financial reporting risk management involves a set of accounting policies. We have established procedures to effectively implement these policies, and our financial department regularly reviews management accounts based on these procedures. Additionally, we provide ongoing training to our finance department employees to ensure they are well-versed in and can effectively apply our financial management and accounting policies in our daily operations.

Internal Control Risk Management

To ensure compliance with applicable regulations and internal standards, we have instituted stringent internal procedures. Our compliance team collaborates closely with the finance and business departments to: (a) perform risk assessments and advise risk management strategies; (b) improve business process efficiency and monitor internal control effectiveness; and (c) promote risk awareness throughout our Company. We maintain rigorous internal procedures to secure all necessary licenses, permits, and approvals for our operations, with regular reviews by our internal control team to monitor the status and effectiveness of these authorizations. Our compliance team also coordinates with relevant departments to secure the necessary governmental approvals or consents for filings with appropriate authorities.

Human Resources Risk Management

We conduct regular and specialized training tailored to the diverse needs of our departments, ensuring that our staff's skills are current and aligned with our customer service objectives. We provide our employees with an employee handbook that outlines internal rules and guidelines on best commercial practices, work ethics, fraud prevention, negligence and corruption. Additionally, we have established a code of business conduct and ethics and an anti-bribery and corruption policy. These guidelines outline the best commercial practices and

BUSINESS

work ethics, providing clear anti-bribery guidance and measures. We maintain an open internal reporting channel for our staff to report any wrongdoing or misconduct, ensuring that all reported incidents and individuals are investigated, with appropriate actions taken based on the findings.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognitions in respect of our services, technology and innovation. The following table sets out the details of some of the notable awards and recognitions which we have received:

Award/Recognition	Award Year	Awarding Institution/Authority
Specialized and Innovative Key “Little Giant” Enterprise (專精特新重點“小巨人”企業)	2025	Ministry of Industry and Information Technology of PRC (中華人民共和國工業和信息化部)
The Greater Bay Area Top Brand (灣區知名品牌)	2025	Shenzhen Famous Brand Evaluation Committee (深圳知名品牌評價委員會)
Leading Intellectual Property Enterprise of Shenzhen (深圳市知識產權領軍企業)	2025	Shenzhen Intellectual Property Bureau (深圳市知識產權局)
Single Champion Enterprise in Manufacturing of Guangdong Province (廣東省製造業單項冠軍企業)	2024	Guangdong Provincial Department of Industry and Information Technology (廣東省工業和信息化廳)
Perception Leading — Annual Excellent Enterprise (感知領航-年度優秀企業)	2024	China Sensor and IoT Alliance (中國傳感器與物聯網聯盟)
National Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業)	2022	Ministry of Industry and Information Technology of PRC (中華人民共和國工業和信息化部)

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s) ⁽²⁾	Date of joining our Group	Date of appointment as a Director ⁽¹⁾	Roles and responsibilities	Relationship with other Directors and senior management
Executive Directors						
Mr. ZHOU Wei (周偉)	39	Co-founder, executive Director and chairman of our Board	November 1, 2017	May 26, 2022	Overall strategic planning, business strategies and capital management of our Group; and presiding over the Board and Shareholders meetings	None
Mr. GUO Gaihua (郭蓋華)	41	Co-founder, executive Director and general manager	January 1, 2018	May 26, 2022	Overall strategic planning, research and development management, business direction and day-to-day decision-making of our Group	None
Mr. ZHANG Jun (張軍)	49	Executive Director and employee director	January 11, 2021	May 26, 2022	Overall marketing management of our Group, including strategic planning, day-to-day operations and business development	None
Non-executive Director						
Dr. HUANG Xi (黃喜)	42	Non-executive Director	May 26, 2022	May 26, 2022	Providing professional advice to our Board	None
Independent Non-executive Directors						
Mr. CHENG Hao (程浩)	50	Independent non-executive Director	May 26, 2022	May 26, 2022	Providing professional and independent advice to our Board	None
Dr. YAN Hongyu (閻紅玉)	62	Independent non-executive Director	June 5, 2023	June 5, 2023	Providing professional and independent advice to our Board	None
Mr. HONG Kam Le (康錦里)	46	Independent non-executive Director	May 16, 2025	May 16, 2025	Providing professional and independent advice to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table provides information about the members of our senior management:

Name	Age	Position ⁽²⁾	Date of joining our Group	Date of appointment as senior management ⁽¹⁾	Roles and responsibilities	Relationship with other Directors and senior management
Mr. GUO Gaihua (郭蓋華)	41	Co-founder, executive Director and general manager	January 1, 2018	May 26, 2022	Overall strategic planning, research and development management, business direction and day-to-day decision-making of our Group	None
Mr. XIE Bin (謝斌)	34	Vice general manager	January 1, 2018	May 16, 2025	Product portfolio operation and management of our Group	None
Ms. TANG Yanli (唐艷麗)	43	Chief financial officer, Board secretary and joint company secretary	November 8, 2021	May 26, 2022	Overall financial management of our Group and Board secretarial affairs	None

Notes:

- (1) For the avoidance of doubt, the dates of the appointment as a Director or the senior management of our Company refer to the appointment of the relevant positions in our Company at or after its Shareholders meeting for the conversion into a joint stock company with limited liability in May 2022. For the details of the conversion, see “History, Development and Corporate Structure—Major Shareholding Changes of our Company—Conversion into a joint stock company with limited liability in June 2022.”
- (2) The re-designation of each Director as an executive Director, a non-executive Director or an independent non-executive Director was approved by the Shareholders on May 16, 2025, which shall take effect on the Listing Date and such Directors still remain as the Directors during the period from the date of such re-designation to the Listing Date.

DIRECTORS

Executive Directors

Mr. ZHOU Wei (周偉), aged 39, is the co-founder of our Company, an executive Director and the chairman of our Board. He founded our Company in November 2017, and was appointed as a Director and the chairman of the Board in May 2022 and re-designated as an executive Director on May 16, 2025. He is primarily responsible for overall strategic planning, business strategies and capital management of our Group and presiding over the Board and Shareholders meetings. Mr. Zhou has held directorship in certain subsidiaries of our Company, including Guangdong Ledong since July 2021, Shenzhen Lezhi since December 2024, Zhuhai Ledong since December 2023, ANTHBOT SG since July 2023, ANTHBOT GER since November 2024 and previously held directorship in Wuhan Merak Robotics Co., Ltd. (武漢天璇機器人有限公司) (which was voluntarily deregistered in July 2024) from May 2023 to July 2024. Mr. Zhou has also held directorship in Shenzhen Lanxi Territory Technology Co., Ltd. (深圳市藍希領地科技有限公司) since December 2015.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Zhou co-founded INMOTION Technologies Co., Ltd. (深圳樂行天下科技有限公司) (“INMOTION”) with Mr. Guo in December 2012 and served as its director from December 2012 to August 2021. From June 2021 to January 2022, he served as a director at Shenzhen Tengyun Ledong Robotics Co., Ltd. (深圳騰雲樂動機器人有限公司), which was voluntarily deregistered in January 2022.

Mr. Zhou obtained his bachelor’s degree in mechanical engineering and automation and master’s degree in industrial engineering from Huazhong University of Science and Technology (華科技大學) in the PRC in June 2008 and March 2011, respectively. He has received several awards and honors, including the Youth May Fourth Medal of Hubei Province (湖北省青年五四獎章) in April 2009, being recognized as a High-Level Reserve Talent in Shenzhen (深圳市後備級人才) by Human Resources and Social Security Administration of Shenzhen Municipality in November 2018, being awarded the title of Intelligent Robot Expert (智能機器人專家) by the Shenzhen Artificial Intelligence Industry Association in July 2022, being bestowed with the title of Young Leader of Strategic Emerging Industries (戰略性新興產業青年領袖) in the Greater Bay Area in November 2022, being awarded the title of Emerging Personality (新銳人物) by the Shenzhen Robotics Association in December 2022, being selected for the Shenzhen Science and Technology Expert Database (深圳市科技專家庫) in August 2023, and being named one of the Top Ten Innovative Craftsmen (十大創新工匠) in Nanshan District, Shenzhen in October 2023.

Mr. GUO Gaihua (郭蓋華), aged 41, is the co-founder of our Company, an executive Director and the general manager of our Company. Mr. Guo joined the Group in January 2018. He was appointed as a Director and the general manager in May 2022 and re-designated as an executive Director on May 16, 2025. He is primarily responsible for overall strategic planning, research and development management, business direction and day-to-day decision-making of our Group. Mr. Guo has been the general manager of our subsidiary, Guangdong Ledong, since July 2021 and has served as a director of our subsidiary, MENGObot, since February 2024.

Prior to joining our Group, Mr. Guo served as a director of Wuhan Ruobit Robotics Co., Ltd. (武漢若比特機器人有限公司) from June 2008 to December 2016. He co-founded INMOTION with Mr. Zhou in December 2012 and served as its director from December 2012 to December 2019.

Mr. Guo obtained his bachelor’s degree in electronic science and technology in June 2007 and his master’s degree in communication and information systems in June 2009 from Huazhong University of Science and Technology (華科技大學) in the PRC. Mr. Guo served as the Principal of Shenzhen Strategic Emerging Industries and Future Industries Technology Research Project (深圳市戰略性新興產業和未來產業技術攻關項目負責人) in December 2017 and was awarded the title of Local-Level Talent in Shenzhen (深圳市地方級領軍人才) by Human Resources and Social Security Administration of Shenzhen Municipality in September 2018.

Mr. ZHANG Jun (張軍), aged 49, is an executive Director and the employee director of our Company. He was appointed as a Director in May 2022, elected as the employee director on May 8, 2025 and re-designated as an executive Director on May 16, 2025. He is primarily responsible for overall marketing management of our Group, including strategic planning, day-to-day operations and business development.

Prior to joining our Group, Mr. Zhang worked at Huawei Technologies Co., Ltd. (華為技術有限公司) and Huawei Device (Shenzhen) Co., Ltd. (華為終端(深圳)有限公司, formerly known as Huawei Device Co., Ltd. (華為終端有限公司)), from September 2001 to June 2009 and from August 2009 to August 2012, respectively. He was also the founder and chief executive officer of Yunyin Technology (Shenzhen) Co., Ltd. (雲印技術(深圳)有限公司) from September 2013 to January 2019.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang obtained his bachelor's degree in security engineering from Wuhan University of Science and Technology (武漢科技大學) in the PRC in June 1998, and his master's degree in system engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2001.

Non-executive Director

Dr. HUANG Xi (黃喜), aged 42, is a non-executive Director. He was appointed as a Director in May 2022 and re-designated as a non-executive Director on May 16, 2025. He is primarily responsible for providing professional advice to our Board.

Dr. Huang has served as the managing director of Shanghai Huaye Tiancheng Enterprise Consulting Services Co., Ltd (上海華業天成企業諮詢服務有限公司) since July 2018. From July 2012 to December 2013, he was a research scientist at Nokia Shanghai Bell Co., Ltd. (上海諾基亞貝爾股份有限公司, formerly known as Alcatel-Lucent Shanghai Bell Co., Ltd. (上海貝爾股份有限公司)). and subsequently worked at Huawei Technologies Co., Ltd. (華為技術有限公司).

Dr. Huang obtained his bachelor's degree in applied physics in June 2007, and his Ph.D. degree in electronic science and technology in June 2012, from Huazhong University of Science and Technology (華中科技大學) in the PRC.

Independent Non-executive Directors

Mr. CHENG Hao (程浩), aged 50, is an independent non-executive Director. He was appointed as an independent Director in May 2022 and re-designated as an independent non-executive Director on May 16, 2025. He is primarily responsible for providing professional and independent advice to our Board.

Mr. Cheng previously served as a senior manager at Baidu, Inc. (百度集團股份有限公司), a company listed on Hong Kong Stock Exchange (stock code: 9888) and the Nasdaq Stock Market (stock code: BIDU). He was the founder of Shenzhen Xunlei Networking Technologies Co., Ltd. (深圳市迅雷網絡技術有限公司) and served as its director from January 2003 to September 2021. Mr. Cheng also founded Shenzhen I-Vision Ventures Co., Ltd. (深圳遠望未來資本管理有限公司), and has been serving as a founding partner since February 2016.

Mr. Cheng obtained a bachelor's degree in mathematics from Nankai University (南開大學) in the PRC in June 1997, and a master's degree of science from Duke University in the U.S. in May 1999.

Dr. YAN Hongyu (閻紅玉), aged 62, is an independent non-executive Director. She was appointed as an independent Director on June 5, 2023 and re-designated as an independent non-executive Director on May 16, 2025. She is primarily responsible for providing professional and independent advice to our Board.

Dr. Yan has been a vice general manager and chief financial officer at Guangzhou Improve Medical Instruments Co., Ltd (陽普醫療科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300030), since October 2010, a director at Improve Industrial (HongKong) Co. Limited (陽普實業(香港)有限公司) since May 2014, and the chairman and general manager of Shenzhen Yangpurun Industrial Investment Co., Ltd. (深圳陽普潤產業投資有限公司) since September 2014. She has also been a supervisor at Guangzhou SENVIV Technology Co., Ltd. (廣州中科新知科技有限公司) since August 2014. Dr. Yan has also been a director at Guangzhou Ruisi Life Technology Co., Ltd. (廣州睿思生命科技有限公司) since August 2022.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Yan served as a faculty member in the department of accounting and auditing of Wuhan University (武漢大學) from July 1988 to November 1996 and specifically, as the deputy head of the department of accounting and auditing of Wuhan University from September 1994 to November 1996. From November 1996 to November 2000, Dr. Yan worked as the director of the accounting and audit office of the department of discipline inspection, supervision and audit, at Shenzhen Development Bank Co., Ltd. (深圳發展銀行有限公司, currently known as Ping An Bank Co., Ltd. (平安銀行股份有限公司)), a company currently listed on Shenzhen Stock Exchange (stock code: 000001). She then worked at Dapeng Securities Company (大鵬證券有限責任公司) from January 2001 to December 2002 as the deputy head of the audit department, and at the department of economics of Shenzhen Polytechnic University (深圳職業技術大學) from November 2003 to September 2010.

Dr. Yan obtained her bachelor's degree in geological finance and accounting major in the department of geological economic management from Hebei GEO University (河北地質大學) in the PRC in July 1985, a master's degree in economics from Wuhan University in the PRC in July 1988, and her Ph.D degree in economics from Zhongnan University of Economics and Law (中南財經政法大學, formerly known as Zhongnan University of Finance and Economics (中南財經大學)) in the PRC in July 1997. She was recognized as a senior accountant and was granted the title of professor in management by Human Resources and Social Security Department of Guangdong Province (formerly known as Department of Personnel of Guangdong Province) in November 1997 and February 2006, respectively.

Mr. HONG Kam Le (康錦里), aged 46, is an independent non-executive Director. He was appointed as an independent non-executive Director on May 16, 2025. He is primarily responsible for providing professional and independent advice to our Board.

Mr. Hong was admitted as a solicitor in Hong Kong in September 2007 and has more than 17 years of experience in the legal industry. From January 2016 to October 2018, he served as a partner of Li & Partners (李偉斌律師行) and since November 2018, he has successively served as a partner and the managing partner of DeHeng Law Offices (Hong Kong) LLP (德恒律師事務所(香港)有限法律責任合夥), formerly known as Chung's Lawyers (鍾氏律師事務所).

From December 2013 to June 2021, Mr. Hong served as the company secretary and one of the authorized representatives of Shengli Oil & Gas Pipe Holdings Limited (勝利油氣管道控股有限公司), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 1080). From September 2015 to July 2020, he also served as one of the joint company secretaries of Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 1459). From March 2022 to February 2023, Mr. Hong served as one of the joint company secretaries and the authorized representatives of Dadi International Group Limited (大地國際集團有限公司), a company listed on the GEM of Hong Kong Stock Exchange (stock code: 8130). From July 2022 to February 2023, Mr. Hong also served as the company secretary and one of the authorized representatives of Kidztech Holdings Limited (奇士達控股有限公司), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 6918). Mr. Hong has served as an independent non-executive director of Hong Kong Johnson Holdings Co., Ltd. (香港莊臣控股有限公司), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 1955), since September 2019, as the company secretary and one of the authorized representatives of Uju Holding Limited (優矩控股有限公司) a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 1948), since October 2022, and as an independent non-executive director of Jiangsu Lopal Tech. Group Co., Ltd. (江蘇龍蟠科技集團股份有限公司), a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 2645), since October 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hong obtained a bachelor's degree in commerce and a bachelor's degree in laws from The University of Sydney in Australia in June 2003 and May 2004, respectively, and a postgraduate certificate in laws from The University of Hong Kong (香港大學) in Hong Kong in June 2005.

Save as disclosed above, none of our Directors held any directorship in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document. Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no other matters with respect to the appointment of the Directors that need to be brought to the attention of our Shareholders and there is no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules.

SENIOR MANAGEMENT

For biographical details of Mr. GUO Gaihua, see “—Executive Directors” in this section.

Mr. XIE Bin (謝斌), aged 34, is the vice general manager of our Company. He joined our Group in January 2018 and was appointed as the vice general manager of the Company on May 16, 2025. He is primarily responsible for product portfolio operation and management of our Group.

From January 2018 to June 2018, he held the position of project manager of our Company. He subsequently served as the project director of our Company from July 2018 to February 2021. From March 2021 to March 2022, he served as the operations management director of our Company. From March 2022 to May 2025, Mr. Xie acted as the product line general manager and the supervisor of our Company.

Prior to joining our Company, Mr. Xie worked at INMOTION from July 2014 to December 2017.

Mr. Xie obtained a bachelor's degree in automation from Shenzhen University (深圳大學) in the PRC in June 2014.

Ms. TANG Yanli (唐艷麗), aged 43, is the chief financial officer, Board secretary and joint company secretary of our Company. She joined our Company in November 2021, was appointed as the chief financial officer and Board secretary in May 2022 and was appointed as the joint company secretary on April 29, 2025. She is primarily responsible for overall financial management of our Group and Board secretarial affairs.

Ms. Tang has about 20 years of experience in finance and investment. From May 2008 to June 2011, she worked at the Hangzhou office of BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)). From July 2011 to June 2012, Ms. Tang served at Zhonghui Accounting Firm (Special General Partnership) (中匯會計師事務所(特殊普通合夥)). From August 2012 to October 2015, she was a senior investment manager at Beijing Zhe Kong Jin Cheng Asset Management Co., Ltd. (北京浙控金誠資產管理有限公司). She was a senior vice president at Beijing Delian Investment & Management Co., Ltd. (北京德聯運通投資管理有限公司) from June 2016 to October 2021.

Ms. Tang obtained a bachelor's degree in business administration and law from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2007, and obtained a master's degree in business administration from Tsinghua University (清華大

DIRECTORS AND SENIOR MANAGEMENT

學) in the PRC in June 2024. She obtained the Legal Professional Qualification Certificate from the Ministry of Justice of the PRC in March 2016, the Certified Public Accountant qualification from the Zhejiang Institute of Certified Public Accountants in March 2010, and the Securities Professional Qualification Certificate from the China Securities Association in December 2010.

JOINT COMPANY SECRETARIES

Ms. TANG Yanli was appointed as the chief financial officer and Board secretary on May 26 2022, and was appointed as the joint company secretary on April 29, 2025. Please refer to “Senior Management—Ms. TANG Yanli” above for further details.

Ms. SIOW Grace Yuet Chew (蕭月秋) was appointed as a joint company secretary of our Company on April 17, 2026.

Ms. Siow has more than 20 years of experience in the company secretary profession. She currently serves as a director of corporate services of Tricor Services Limited. Ms. Siow has been providing corporate secretarial and compliance services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Siow has been the company secretary of True Partner Capital Holding Limited (a company listed on the Main Board of Stock Exchange (stock code: 8657) since October 2020 and Mirxes Holding Company Limited (a company listed on the Main Board of Stock Exchange (stock code: 2629) since July 2023.

Ms. Siow 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. Siow obtained a Master of Business Administration from the University of Stirling in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part II of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. CHENG Hao, Dr. YAN Hongyu and Mr. HONG Kam Le. Dr. YAN Hongyu, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to reviewing and evaluating the work of external auditors; monitoring and making recommendations to internal audit work of our Company; reviewing and making recommendations to the financial reports of our Company; evaluating the effectiveness of internal control work; ensuring coordination between the management, internal audit department and relevant departments and external auditors; and performing other duties and responsibilities as assigned by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of part II of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. ZHOU Wei, Mr. CHENG Hao and Mr. HONG Kam Le. Mr. CHENG Hao serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to reviewing and approving remuneration proposals of members of our senior management in accordance with our Company's policies and objectives as approved by our Board from time to time; making recommendations to our Board on our Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policies, including but are not limited to, performance evaluation standards, procedures and evaluation systems; conducting the evaluation of the annual performance of all Directors and senior management; monitoring compensation payable to all Directors and senior management; reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and performing other duties and responsibilities as assigned by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of part II of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. ZHOU Wei, Mr. CHENG Hao and Dr. YAN Hongyu. Mr. ZHOU Wei serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to reviewing and making recommendations to the Board on the composition and number of our Board and senior management with reference to our Company's business activities, scale of assets and shareholding structure; identifying individuals suitably qualified to become a member of our Board and senior management and making recommendations to our Board on the selection of individuals nominated for directorships and senior management; reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors; accessing and making recommendations to the selection of other senior management appointed by our Board; and performing other duties and responsibilities as assigned by our Board.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2025, and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interests in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also the Company's employees, compensation in the form of salaries, allowances, performance related bonus, share-based payment compensation and pension scheme contributions. Our independent non-executive Directors receive compensation with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

For each of the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB5.8 million, RMB6.4 million and RMB7.3 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation, including estimated-share based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB5.1 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

For each of the years ended December 31, 2023, 2024 and 2025, there were one, two and one Director(s) among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to approximately RMB11.7 million, RMB5.5 million and RMB6.9 million, for each of the years ended December 31, 2023, 2024 and 2025, respectively.

During the Track Record Period, no consideration was paid by our Company to, or receivable by, our Directors for making available Directors' services or as termination benefits.

Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. To accomplish this, our Company complies or intends to comply with the corporate governance requirements under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after Listing.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy of the Company (the “Board Diversity Policy”), which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors currently consists of one female Director and six male Directors with a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group’s operations and business. They obtained degrees in various majors including engineering, economics, and business administration. We have three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After Listing, our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and
- (d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) the Concert Party Group, consisting of Mr. Zhou and Mr. Guo, were collectively directly interested in approximately 31.96% of the Shares, and pursuant to the Acting in Concert Agreement, members of the Concert Party Group will follow Mr. Zhou's vote to arrive at a unanimous consent in case of any disagreement in aligning votes in the Shareholders meeting; (ii) Ms. Wang, being the spouse of Mr. Zhou, was directly interested in approximately 0.86% of the Shares; and (iii) Mr. Zhou, by virtue of his role as the general partner of Photon Space, was deemed to be interested in approximately 6.80% of the Shares held by Photon Space. Accordingly, the group of Controlling Shareholders held in aggregate approximately 39.61% of the Shares as of the Latest Practicable Date.

Immediately following the completion the Global Offering, the group of Controlling Shareholders will in aggregate hold approximately 35.65% of the Shares (assuming the Over-allotment Option is not exercised). Therefore, upon Listing, they will remain as a group of Controlling Shareholders and our Company will not have any controlling shareholders as defined under the Listing Rules upon Listing. For details of the Concert Party Group, Ms. Wang and Photon Space and their shareholding in our Company, see "History, Development and Corporate Structure" and "Substantial Shareholders."

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from the Controlling Shareholders and their close associates after Listing, taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. Mr. Zhou and Mr. Guo, who are members of the Controlling Shareholders, as detailed above, are also the members of our Board. Mr. Zhou serves as our chairman of the Board and an executive Director of our Company. Mr. Guo serves as an executive Director and the general manager of our Company. Ms. Wang is not a member of our Board and serves no position in our Company.

Our Directors consider that we are able to carry on our business independently from the Controlling Shareholders from a management perspective for the following reasons:

- (a) our daily management and operations are carried out by a 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 Group. See "Directors and Senior Management" for details of the industry experience of our senior management team;
- (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 our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she is required to declare the nature of such interest before

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

- (c) we have three independent non-executive Directors forming over one-third of the Board, and certain matters of our Company must always be referred to the independent non-executive Directors for review and approval as required by the Listing Rules and other applicable laws, rules and regulations; and
- (d) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. See “— Corporate Governance” for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their respective close associates after the Listing.

Operational Independence

We do not rely on the Controlling Shareholders and their respective close associates for our business development, research and development, sales and marketing, financing, logistics, administration, human resources, legal and compliance, internal audit, information technology or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and 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 also have sufficient capital, facilities, equipment and employees, administrative and corporate governance infrastructure to operate our business independently. We are also in possession of all relevant licenses, 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 the Controlling Shareholders and their 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. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Group makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash management, financial reporting, accounting management, invoicing and billing, are operated independently of our Controlling Shareholders and their respective close associates. We do not expect to rely on the Controlling Shareholders or their respective close associates for financing after Listing as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the net proceeds from the Global Offering.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

In addition, we are capable of obtaining financing from independent third parties, without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates. As of the Latest Practicable Date, there were no subsisting loans, guarantees or pledges provided by any member of our Controlling Shareholders and/or their respective close associates to our Group. During the Track Record Period and as of the Latest Practicable Date, we had received a series of Pre-IPO Investments from third party investors independently. See “History, Development and Corporate Structure” for details of the Pre-IPO Investments.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on the Controlling Shareholders or their respective close associates after Listing.

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of the Controlling Shareholders has confirmed that as of the Latest Practicable Date, it/he/she did not have any interest in other business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Upon Listing, our Company will comply with the provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We will adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders and their respective associates:

- (a) where a Shareholders meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules, which will become effective upon Listing. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with the Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- (d) we are committed that our Board shall include a balanced composition of executive directors and non-executive directors (including independent non-executive directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences,

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See “Directors and Senior Management” for details of the independent non-executive Directors;
- (e) where our Directors reasonably request the advice of independent professionals, such as financial advisors and legal advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (f) we have appointed Guotai Junan Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders’ interests after Listing.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Share Subdivision, the Global Offering and the Conversion of Unlisted Shares into H Shares, and assuming the Over-allotment Option is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to 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:

Name of Shareholder	Nature of Interest	Number of Shares held after the Global Offering ⁽¹⁾	Approximate percentage of shareholding in the total share capital of our Company after the Global Offering ⁽²⁾ (%)
Mr. Zhou ⁽⁴⁾	Beneficial owner, interests held jointly with another person ⁽³⁾ and interest of spouse	118,843,500 H Shares	35.65
Photon Space	Beneficial owner and interests held jointly with another person	118,843,500 H Shares	35.65
Ms. Wang ⁽⁵⁾	Beneficial owner and interest of spouse	118,843,500 H Shares	35.65
Mr. Guo	Beneficial owner and interests held jointly with another person ⁽³⁾	118,843,500 H Shares	35.65
Tibet Wanqing ⁽⁶⁾	Beneficial owner	44,714,700 H Shares	13.41
Mr. HUANG Tao (黃濤) ⁽⁶⁾	Interest in controlled corporation	44,714,700 H Shares	13.41
Hunan Huaye ⁽⁷⁾⁽⁸⁾	Beneficial owner	35,226,600 H Shares	10.57
Shenzhen Huaye ⁽⁷⁾⁽⁸⁾	Interest in controlled corporation	35,226,600 H Shares	10.57
Huaye Tiancheng ⁽⁷⁾⁽⁸⁾	Interest in controlled corporation	40,583,700 H Shares	12.18
Mr. SUN Yelin (孫業 林) ⁽⁷⁾⁽⁸⁾	Interest in controlled corporation	40,583,700 H Shares	12.18
Mr. YANG Huajun (楊華君) ⁽⁷⁾⁽⁸⁾	Interest in controlled corporation	40,583,700 H Shares	12.18

Notes:

- (1) All interests stated are long position.
- (2) The calculation is based on the total number of 300,000,000 H Shares to be converted from Unlisted Shares in issue and 33,333,400 H Shares to be issued pursuant to the Global Offering (assuming that the Over-allotment Option are not exercised).
- (3) Pursuant to the Acting in Concert Agreement, each of Mr. Zhou and Mr. Guo agreed to be parties acting in concert in (i) aligning their votes in the board meetings of our Company, and (ii) aligning their votes in the Shareholders meeting of our Company in respect of the Shares in our Company beneficially owned by each of them from time to time. Therefore, under the SFO, each of Mr. Zhou and Mr. Guo was deemed to be interested in the Shares held by each other.

SUBSTANTIAL SHAREHOLDERS

- (4) Mr. Zhou was deemed to be interested in a total of 118,843,500 H Shares comprising (i) 61,637,700 H Shares held directly by Mr. Zhou; (ii) 2,569,800 H Shares held directly by Ms. Wang, the spouse of Mr. Zhou; (iii) 20,408,100 H Shares held directly by Photon Space; and (iv) 34,227,900 H Shares held directly by Mr. Guo.
- (5) Ms. Wang was deemed to be interested in a total of 118,843,500 H Shares comprising (i) 2,569,800 H Shares held directly by Ms. Wang; (ii) 61,637,700 H Shares held directly by Mr. Zhou, the spouse of Ms. Wang; (iii) 20,408,100 H Shares held directly by Photon Space; and (iv) 34,227,900 H Shares held directly by Mr. Guo.
- (6) Tibet Wanqing was wholly owned by Mr. HUANG Tao. As such, Mr. HUANG Tao was deemed to be interested in the Shares of our Company held by Tibet Wanqing.
- (7) Huaye Tiancheng was deemed to be interested in a total of 40,583,700 H Shares comprising (i) 35,226,600 H Shares held directly by Hunan Huaye, and (ii) 5,357,100 H Shares held directly by Zhuhai Huaye.
- (8) Hunan Huaye was held by its general partner, Shenzhen Huaye as to 1.21% and 19 limited partners as to 98.79%, none of which holds 30.00% or more of interest therein. Shenzhen Huaye was held by its general partner, Huaye Tiancheng, as to 1% and its limited partners Mr. SUN Yelin and Mr. YANG Huajun, as to 59% and 40%, respectively. Huaye Tiancheng was held by Mr. SUN Yelin and Mr. YANG Huajun, as to 65% and 35%, respectively. Zhuhai Huaye was held by its general partner Hengqin Huaye as to 0.05% and 40 limited partners as to 99.95%, none of which holds 30.00% or more of interest therein. Hengqin Huaye is held by Huaye Tiancheng as to 1% and held by two limited partners, namely Mr. SUN Yelin and Mr. YANG Huajun as to 59% and 40%, respectively. Therefore, under the SFO, each of Huaye Tiancheng, Mr. SUN Yelin and Mr. YANG Huajun was deemed to be interested in the Shares held by Shenzhen Huaye, Hunan Huaye, Hengqin Huaye and Zhuhai Huaye; and Shenzhen Huaye was deemed to be interested in the Shares held by Hunan Huaye.

Saved as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming that (i) the Over-allotment Option is not exercised and (ii) 300,000,000 Unlisted Shares are converted in H Shares as applied with CSRC under the “Full Circulation” Program), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered capital of our Company was RMB30,000,000, comprising 30,000,000 Shares of nominal value RMB1.0 each.

UPON COMPLETION OF THE SHARE SUBDIVISION AND THE GLOBAL OFFERING

Immediately following completion of the Share Subdivision, the Global Offering and Conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
H Shares converted from Unlisted Shares ⁽¹⁾	300,000,000	90.00
H Shares to be issued under the Global Offering . .	33,333,400	10.00
Total	333,333,400	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing, see “History, Development and Corporate Structure—Capitalization of our Company.”

Immediately following completion of the Share Subdivision, the Global Offering and Conversion of Unlisted Shares into H Shares, assuming the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
H Shares converted from Unlisted Shares ⁽¹⁾	300,000,000	88.67
H Shares to be issued under the Global Offering . .	38,333,400	11.33
Total	338,333,400	100.00

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing, see “History, Development and Corporate Structure—Capitalization of our Company.”

OUR SHARES

Upon completion of the Share Subdivision, the Global Offering and Conversion of Unlisted Shares into H Shares, we would only have one class of Shares, H Shares as 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 or 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 (such as our certain

SHARE CAPITAL

existing Shareholders the Unlisted Shares held by whom will be converted in to H shares according to the approval of the CSRC), H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

Register with the CSRC and Full Circulation Application

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall register with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas listing.

We have filed with the CSRC for, and the CSRC has registered the conversion of 300,000,000 Unlisted Shares (taking into account the Share Subdivision) into H Shares on a one-for-one basis upon the completion of the Global Offering and CSRC issued the filing notice in respect of the Global Offering dated February 14, 2026.

Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from 300,000,000 Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any listing of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing. See “History, Development and Corporate Structure—Rights of the Pre-IPO Investors.”

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix V—Summary of Articles of Association” in this document.

CORNERSTONE INVESTOR

THE CORNERSTONE PLACING

We, the Joint Sponsors and the Overall Coordinators have entered into a cornerstone investment agreement (the “**Cornerstone Investment Agreement**”) with the cornerstone investor set forth below (the “**Cornerstone Investor**”) who has agreed to subscribe for such number of our Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) which may be purchased at the Offer Price with an aggregate amount of approximately HK\$277 million) (exclusive of the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$24.00 per Offer Share (being the low-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 11,541,600 H Shares, representing approximately (i) 34.62% of the Offer Shares pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised, (ii) 3.46% of our total issued share capital upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised, and (iii) 3.41% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Over-allotment Option.

Assuming an Offer Price of HK\$27.00 per Offer Share (being the mid-point of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 10,259,200 H Shares, representing approximately (i) 30.78% of the Offer Shares pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised, (ii) 3.08% of our total issued share capital upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised, and (iii) 3.03% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Over-allotment Option.

Assuming an Offer Price of HK\$30.00 per Offer Share (being the high-end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investor would be 9,233,200 H Shares, representing approximately (i) 27.70% of the Offer Shares pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised, (ii) 2.77% of our total issued share capital upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised, and (iii) 2.73% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Over-allotment Option.

Our Company is of the view that, leveraging on the Cornerstone Investor’s investment experience and market position, the Cornerstone Placing will help to raise the profile of our Company and to signify that such Cornerstone Investor has confidence in our Company’s business and prospect. Our Company became acquainted with the Cornerstone Investor in its ordinary course of operation through the Group’s business network and through introduction by business partners in the Global Offering.

The Cornerstone Placing will form part of the International Placing, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investor will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreement). The Offer Shares to be subscribed by the Cornerstone Investor will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company for the purpose of Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investor and its close associates will not, by virtue of the Cornerstone Placing, have any Board representation in our Company; and the Cornerstone Investor and its close associates will not become a substantial Shareholder of our Company; and equity interests in the Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investor does not have any preferential rights in the Cornerstone Investment Agreement compared with other public Shareholders. As confirmed by the

CORNERSTONE INVESTOR

Cornerstone Investor, there are no side arrangements or agreements between our Company and the Cornerstone Investor or any benefit, direct or indirect, conferred on the Cornerstone Investor by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge, information and belief of our Company, (i) each of the Cornerstone Investor and its ultimate beneficial owner is an Independent Third Parties; (ii) the Cornerstone Investor is not accustomed to take or has taken instructions from our Company, the Directors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of its subsidiaries or its close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) the subscription of the Offer Shares by the Cornerstone Investor is not directly or indirectly financed by our Company, the Directors, chief executive of our Company, substantial Shareholders, existing Shareholders or any of its subsidiaries or its close associates.

To the best knowledge of the Company and as confirmed by the Cornerstone Investor, its subscription under the Cornerstone Placing would be financed by its own internal financial resources to settle its investment under the Cornerstone Placing. The Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investor will be disclosed in the allotment results announcement of our Company to be published on or around Monday, April 27, 2026. The Cornerstone Investor has agreed to pay for the relevant Offer Shares that it has subscribed before dealings in the Company's H Shares commence on the Stock Exchange. The Cornerstone Investor has agreed that the Overall Coordinators may defer the delivery of all or any part of the Offer Shares it will subscribe to a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Placing. There will be no delayed delivery if there is no over-allocation in the International Placing. For details of the Over-allotment Option and the stabilization action by the Stabilizing Manager, see "Structure of the Global Offering—Over-allotment Option" and "Structure of the Global Offering—Stabilization" in this prospectus.

OUR CORNERSTONE INVESTORS

The information about our Cornerstone Investor set forth below has been provided by the Cornerstone Investor in connection with the Cornerstone Placing.

KCH Vision Investment Limited is a company incorporated in Hong Kong with limited liability. It is a wholly owned subsidiary of Tianjin Kangchengheng No. 2 Management Consulting Partnership Enterprise (Limited Partnership) (天津市康成亨二號管理諮詢合夥企業(有限合夥)), which was held by Shenzhen KCH Asset Management Co., Ltd (深圳市康成亨資產管理有限公司, "KCH AM") as its general partner as to 0.0038% and Zhuji Kangchengheng Shengguo Equity Investment Partnership Enterprise (Limited Partnership) (諸暨康成亨升國股權投資合夥企業(有限合夥)) as its limited partner as to 99.9962%. KCH AM was held by Shenzhen Kangchengheng Capital Management Group Co., Ltd. (深圳市康成亨資本管理集團有限公司) and YE Lizhen (葉麗珍) as to 93.33% and 6.67%, respectively. Shenzhen Kangchengheng Capital Management Group Co., Ltd. was held by YUAN Yakang (袁亞康), YE Lizhen and SUN Zhenghua (孫正華) as to 87.00%, 8.00% and 5.00%, respectively. Zhuji Kangchengheng Shengguo Equity Investment Partnership Enterprise (Limited Partnership) was held by KCH AM as its general partner as to 6.00% and Zhuji Jingkai Chuangrong Investment Co., Ltd. (諸暨經開創融投資有限公司) as its limited partner as to 94.00%. Zhuji Jingkai Chuangrong Investment Co., Ltd. was a wholly owned subsidiary of Zhuji New City Investment and Development Group Co., Ltd. (諸暨市新城投資開發集團有限公司), which was in turn wholly owned by Zhuji High-Tech Industry Investment Group Co., Ltd. (諸暨市高新產業投資集團有限公司), a company held by Zhuji Municipal State-Owned Assets Management Co., Ltd. (諸暨市國有資產經營有限公司) and Zhuji Cultural Tourism Group Co., Ltd. (諸暨市

CORNERSTONE INVESTOR

文化旅遊集團有限公司) as to 80.00% and 20.00%, respectively. Zhuji Municipal State-Owned Assets Management Co., Ltd. was held by Zhuji Municipal Finance Bureau (諸暨市財政局) as an ultimate beneficial owner as to 90.00%, and by Zhejiang Financial Development Co., Ltd. (浙江省財開集團有限公司) as to 10.00%. Zhejiang Financial Development Co., Ltd. is wholly owned by Zhejiang Provincial Department of Finance (浙江省財政廳). The ultimate beneficial owner of Zhuji Cultural Tourism Group Co., Ltd. is Zhuji Municipal Finance Bureau.

The tables below set forth the details of the Cornerstone Placing:

***Based on the Offer Price of HK\$24.00
(being the low-end of the indicative Offer Price range)***

Cornerstone Investor	Total Investment Amount (in HK\$)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
KCH Vision Investment Limited	277,000,000	11,541,600	34.62	3.46	30.11	3.41
Total	277,000,000	11,541,600	34.62	3.46	30.11	3.41

Note 1: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering—Currency Translation.”

***Based on the Offer Price of HK\$27.00
(being the mid-point of the indicative Offer Price range)***

Cornerstone Investor	Total Investment Amount (in HK\$)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
KCH Vision Investment Limited	277,000,000	10,259,200	30.78	3.08	26.76	3.03
Total	277,000,000	10,259,200	30.78	3.08	26.76	3.03

Note 1: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering—Currency Translation.”

CORNERSTONE INVESTOR

*Based on the Offer Price of HK\$30.00
(being the high-end of the indicative Offer Price range)*

Cornerstone Investor	Total Investment Amount (in HK\$)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
KCH Vision Investment Limited	277,000,000	9,233,200	27.70	2.77	24.09	2.73
Total	277,000,000	9,233,200	27.70	2.77	24.09	2.73

Note 1: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering—Currency Translation.”

CLOSING CONDITIONS

The obligation of the Cornerstone Investor to acquire the Offer Shares under the Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i). the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii). the Offer Price having been agreed in a manner according to the Hong Kong Underwriting Agreement;
- (iii). the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv). the CSRC having accepted of the Company’s filing and published the filing results in respect of the Company’s filing on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

CORNERSTONE INVESTOR

- (v). no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (vi). the representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of as of the Listing Date or the Delayed Delivery Date (if applicable)) accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

The Cornerstone Investor has agreed that without the respective prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (both days inclusive) (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial information included in “Appendix I—Accountants’ Report” to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRSs. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see “Forward-looking Statements” and “Risk Factors.” Unless the content otherwise requires, reference to “2023,” “2024” or “2025” refers to our financial year ended December 31 of such year.

OVERVIEW

We have created an intelligent robotics infrastructure focusing on visual perception and empowering various robotics applications, offering visual perception products and complete intelligent robot products tailored for emerging scenarios.

We achieved rapid revenue growth during the Track Record Period. Our revenue increased from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025, representing a CAGR of 64.4% from 2023 to 2025. We had net losses of RMB68.5 million, RMB56.5 million and RMB62.5 million in 2023, 2024 and 2025, with a net loss margin of 24.8%, 12.1% and 8.4%, respectively. We also use adjusted net loss (non-HKFRS measure) to facilitate assessment of our operating performance. During the Track Record Period, our adjusted net loss (non-HKFRS measure) of RMB55.8 million, RMB44.7 million and RMB26.1 million in 2023, 2024 and 2025.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with HKFRS Accounting Standards, issued by the HKICPA. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

The preparation of the historical financial information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 3 to the Accountants’ Report included in Appendix I to this prospectus.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The success and growth of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address to optimize our results of operations and sustain our growth.

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Our Ability to Successfully Solidify our Visual Perception Product Portfolio and Introduce Complete Intelligent Robot Products

According to CIC, the global intelligent robot visual perception technology market is highly competitive. The success of our business depends on our ability to develop competitive visual perception products, including sensors and algorithm modules, and comprehend downstream customer demands. During the Track Record Period, we generated most of our revenue from sales of visual perception products, which increased from RMB274.2 million in 2023 to RMB439.3 million in 2024 and further to RMB606.5 million in 2025. The increase was mainly due to the increase in the shipment volume of our products resulting from our business expansion.

Our complete intelligent robotic products such as intelligent robotic lawn mowers have enhanced our brand recognition in the PRC and brand presence in global markets. In 2023, we launched our first-generation robot lawn mowers and quickly iterated to the second-generation intelligent robot lawn mowers. As a result, our revenue generated from this segment increased significantly from RMB63,000 in 2023 to RMB23.3 million in 2024, accounting for 5.0% of our total revenue in 2024. In 2024, we achieved sales of first-generation of intelligent robot lawn mowers exceeding 10,000 units. Our sales of robot lawn mowers surged in 2025, achieving significant increase in revenue from RMB23.3 million in 2024 to RMB136.9 million in 2025. According to CIC, the global market for intelligent robot lawn mowers holds substantial potential, particularly in view of a penetration rate of less than 2.0% in 2024. We anticipate that revenue from robot lawn mowers will continue to grow in the coming years, supported by increased investments in overseas market promotion and the establishment of local teams. Our ability to stay ahead of market trends, rapidly iterate our products and expand application scenarios will be critical factors influencing our future results of operation and financial condition.

Our Ability to Deepen Relationships with Existing Customers and Expand Our Customer Base

Our future growth depends on our ability to maintain and deepen relationships with our existing customers, as well as our ability to expand our customer base. During the Track Record Period, our customers are mostly robotics manufacturers. For the years ended December 31, 2023, 2024 and 2025, the revenue from our five largest customers for the respective years in aggregate was RMB180.1 million, RMB253.5 million and RMB371.8 million, respectively, representing 65.1%, 54.3% and 49.8% of our total revenue, respectively. For details, see “Business—Our Customers.” Changes in relationship with our existing customers may affect our results of operation and financial condition. We maintained close and sustainable business relationships with our major customers, with our group customer retention rate reaching 84.0%, 90.0% and 100.0% in 2023, 2024 and 2025, respectively. Leveraging our solid technology and diverse visual perception products portfolio, we believe we will be able to continue to deliver competitive visual perception products to our customers and further enhance our cooperation with them. We are also dedicated to identifying and acquiring new customers to expand our customer base. Leveraging our deep insights and strong R&D capabilities in visual perception technology, we are committed to attracting new robotics manufacturer customers with our innovative sensors and algorithm modules catering to end users’ evolving needs. Additionally, we launched our own complete robot product in 2023. Unlike our previous customer base, robot lawn mowers target overseas individual users. We plan to carry out marketing activities in various overseas markets to promote our market share of robot lawn mowers in the global market.

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Change in Revenue Mix

The revenue mix from our different product lines impacts our overall profitability. Due to varying business characteristics, our sensors, algorithm modules and robot lawn mower products exhibit distinct gross profit margin profiles. During the Track Record Period, sensors achieved gross profit margins of 18.5%, 15.2% and 20.4% in 2023, 2024 and 2025, respectively. Algorithm modules exhibited higher gross profit margins of 37.4%, 31.3% and 26.0% in the same periods. The robot lawn mower, which is a product with a higher gross profit margin compared to our other product lines, commenced mass production only in 2024, contributing a gross profit margin of 33.6% in that year following its earlier trial stage. In 2025, as sales of our second-generation robotic lawn mower increased as a proportion of total sales, the gross profit margin for this product line rose to 42.3% in 2025. During the Track Record Period, contributions from our algorithm modules, a business line with higher gross profit margins, gradually declined as a proportion of total revenue. This decline was primarily attributable to the substantial revenue growth from our sensors and robot lawn mowers during the Track Record Period. Meanwhile, our robot lawn mowers, as a new high-margin product, are expected to see increased contributions to overall revenue and profitability in the coming years. Any further shift in the revenue mix among these product lines could significantly affect our financial results and profitability.

Our Ability to Effectively Invest in Technology and Talent

Our financial performance is dependent on our ability to maintain our position in visual perception technologies. Our market share is affected by our ability to maintain our position in our product performance, which further depends on our effective investments in R&D. We are committed to enhancing our visual perception technology and complete robot capabilities through our investment in R&D, which we believe will further drive our future revenue growth. It is essential that we continuously and effectively invest in technology and talent to develop and introduce innovative solutions. We recorded research and development expenses of RMB95.9 million, RMB94.9 million and RMB121.1 million in 2023, 2024 and 2025, respectively. During the Track Record Period, relying on our cost control measures, we maintained a stable level of research and development expenses, particularly in the employee benefit expenses of our R&D team.

Seasonality

Our results of operations are affected by seasonal fluctuations in demand for our products, as affected by market trends of the intelligent robot industry. Demand from our robotics manufacturer customers tends to increase around major shopping events. In preparation for these sales events, our robotics manufacturers customers typically stock up on inventory in advance, leading to an increase in the shipment volume of our visual perception products. Due to the concentration of global shopping events in the second half of the year, our shipment volume generally increases, resulting in higher revenue during this period. As the revenue contribution from our robot lawn mower business increases, our overall financial performance become more exposed to its seasonality. For this business line, we typically record higher revenue in the summer, when the demand for lawn mowing is at its peak. Such fluctuations are seasonal in nature and thus quarterly or half-year results are not indicative of our results of operations for the full year. For relevant risks, see “Risk Factors—Risks Relating to Our Business and Industry—Our operations are subject to seasonal fluctuations.”

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CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Below are accounting policies that we believe are of critical importance to us or involve the most material estimates, assumptions and judgments used in the preparation of our financial statements. We have also identified the accounting policies on impairment of financial assets, provision for inventories and share-based payments as material to the preparation of our financial statements. For further details, see Note 2 and 3 to the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

Revenue from contracts with customers

We recognize revenue from contracts with customers when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect 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 we 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

We recognize revenue from the sale of products at the point in time when control of the product is transferred to the customer, generally upon delivery or acceptance of the products as agreed in the sales contracts.

For some contracts, we receive a non-recurring engineering ("NRE") payment before the production of goods for the customers. Such NRE payment will be refunded to the customers only if the production and sales volume over a specified period has achieved the agreed target. The NRE payment is initially recognized as other payables of the Group and transferred to contract liabilities when it is almost certain that the target cannot be met. It will be recognized as revenue upon the completion of the contract obligations and when it is not refundable.

Impairment Testing of Certain Non-financial Assets

In accordance with IAS 36.12, we assess at the end of each reporting period whether there are any indications that non-current assets (other than inventories, contract assets, deferred tax assets, financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the assets.

In 2023, 2024 and 2025, we recorded net losses of RMB68.5 million, RMB56.5 million and RMB62.5 million, respectively. We recorded losses were mainly due to the fact that the development of robot lawn mowers was still in the ramp-up phase and that we have invested resources in exploring and developing robot lawn mowers. In view of such prolonged period of overall losses, there are indications of impairment.

In accordance with IAS 36, we performed impairment tests at each period-end on non-current assets (primarily including property, plant and equipment, right-of-use assets, intangible assets, and other non-current assets) that show indications of impairment and estimate the recoverable amount of the non-current asset. The recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

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We are primarily engaged in product design, development and vertical-scenario innovation and have developed capabilities from underlying R&D technologies to advanced application implementations in the field of intelligent robots. The Group is highly centralized managed and our activities including research and development, procurement, manufacture and production, sales are all governed and managed in headquarter and we only have one operating segment. The non-current assets other than financial assets mainly include manufacturing factories, plant and machinery and leased properties. The entities that hold these assets are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other. Therefore, non-current assets, other than financial assets located in different entities, are all allocated to the whole Group which is defined as the CGU that generates cash flows that are largely independent for impairment testing.

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management. The budgeted sales and margins are estimated based on historical information achieved and the expected market development. The discount rates used reflect specific risks relating to the Group. According to the impairment test results, the recoverable amount of the CGU was larger than the carrying amount of the non-current assets at the end of each reporting period, thus no impairment was required.

For details of impairment testing for non-financial assets, see Note 14 in Appendix I to this prospectus.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentages)</i>						
Revenue	276,562	100.0	467,345	100.0	747,773	100.0
Cost of sales.	(205,453)	(74.3)	(376,028)	(80.5)	(555,828)	(74.3)
Gross profit	<u>71,109</u>	<u>25.7</u>	<u>91,317</u>	<u>19.5</u>	<u>191,945</u>	<u>25.7</u>
Other income and gains	21,922	7.9	20,258	4.3	21,442	2.9
Selling and marketing expenses	(21,272)	(7.7)	(31,427)	(6.7)	(81,201)	(10.9)
Administrative expenses	(40,831)	(14.8)	(36,925)	(7.9)	(69,458)	(9.3)
Research and development expenses	(95,940)	(34.7)	(94,857)	(20.3)	(121,121)	(16.2)
Impairment losses on financial assets, net	(2,402)	(0.9)	(4,312)	(0.9)	(2,177)	(0.3)
Other expenses	(143)	(0.1)	(68)	(-*)	(1,587)	(0.2)
Finance costs	(934)	(0.3)	(469)	(0.1)	(344)	(-*)
Loss before tax	<u>(68,491)</u>	<u>(24.8)</u>	<u>(56,483)</u>	<u>(12.1)</u>	<u>(62,501)</u>	<u>(8.4)</u>
Income tax expense	—	—	—	—	—	—
Loss for the year/period . . .	<u>(68,491)</u>	<u>(24.8)</u>	<u>(56,483)</u>	<u>(12.1)</u>	<u>(62,501)</u>	<u>(8.4)</u>

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	Year ended December 31,					
	2023		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentages)</i>						
Loss for the year/period attributable to:						
Owners of the parent	(68,491)	(24.8)	(56,483)	(12.1)	(62,501)	(8.4)

* Less than 0.1.

NON-HKFRS MEASURES

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss and adjusted net loss margin as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe these non-HKFRS measures, when shown in conjunction with the corresponding HKFRS measures, facilitate comparisons of operating performance from period to period and company to company and provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRS. We define adjusted net loss as net loss for the year adjusted by adding back equity-settled share-based payment expenses and listing expenses related to the Global Offering and adjusted net loss margin as adjusted net loss divided by revenue. The adjustments have been consistently made during the Track Record Period.

The following table reconciles our adjusted net loss for the years indicated with our net loss, or loss for the periods presented in accordance with HKFRS:

	Year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Loss for the year	<u>(68,491)</u>	<u>(56,483)</u>	<u>(62,501)</u>
Add:			
Equity-settled share-based payment expenses ⁽¹⁾	12,715	11,808	22,768
Listing expenses related to the Global Offering	<u>—</u>	<u>—</u>	<u>13,644</u>
Adjusted net loss	<u>(55,776)</u>	<u>(44,675)</u>	<u>(26,089)</u>
Adjusted net loss margin⁽²⁾	<u>(20.2)%</u>	<u>(9.6)%</u>	<u>(3.5)%</u>

Notes:

- (1) Equity-settled share-based payment expense is a non-cash expense arising from granting share-based awards to selected employees. It mainly represents the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result

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in future cash payments. Share-based payment is recorded under our selling and marketing expenses, administrative expenses and research and development expenses, and equity-settled share-based payment expenses in the above table represents the sum of that recorded under each type of such expenses.

- (2) Adjusted net loss margin equals adjusted net loss for the year divided by revenue for the year and multiplied by 100%.

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue primarily from the sales of visual perception products and robot lawn mowers. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Visual Perception Products						
Sensors	167,297	60.5	340,572	72.9	434,683	58.1
Algorithm modules . . .	106,858	38.6	98,706	21.1	171,769	23.0
	274,155	99.1	439,278	94.0	606,452	81.1
Robot lawn mowers	63	—*	23,272	5.0	136,896	18.3
Others ⁽¹⁾	2,344	0.8	4,795	1.0	4,425	0.6
Total	<u>276,562</u>	<u>100.0</u>	<u>467,345</u>	<u>100.0</u>	<u>747,773</u>	<u>100.0</u>

Note:

(1) Others mainly refer to revenue generated from the sales of spare parts and consumables.

* Less than 0.1.

Our revenue increased from RMB276.6 million in 2023 to RMB467.3 million in 2024, and further to RMB747.8 million in 2025, representing a CAGR of 64.4% from 2023 to 2025, which generally reflects the increase in the shipment volume of our products resulting from our business expansion.

Our revenue from the sales of sensors increased from 2023 to 2024 as a proportion of our total revenue, while the contribution from algorithm modules declined during the same period, primarily due to a decrease in the unit price of algorithm modules throughout the same period, despite an increase in order volume, which led to an overall reduction in revenue from this segment. The revenue from the sales of robot lawn mowers increased to account for 5.0% of our revenue in 2024, following the commencement of the mass production and sales of these products. Our sales of robot lawn mowers surged in 2025, achieving significant increase in revenue from RMB23.3 million in 2024 to RMB136.9 million in 2025, accounting for 5.0% and 18.3% of our total revenue, respectively.

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In each year of 2023, 2024 and 2025, substantially of our revenue were generated from mainland China. The following table sets forth our revenue by geographical locations for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Mainland China	275,851	99.7	448,781	96.0	610,275	81.6
Overseas						
– Europe ⁽¹⁾	36	0.01	4,988	1.1	86,094	11.5
– North America	420	0.2	3,272	0.7	23,166	3.1
– Asia (excluding mainland China).	139	0.1	10,248	2.2	26,811	3.6
– Others ⁽²⁾	116	0.04	56	0.01	1,427	0.2
	<u>711</u>	<u>0.3</u>	<u>18,564</u>	<u>4.0</u>	<u>137,498</u>	<u>18.4</u>
Total	<u>276,562</u>	<u>100.0</u>	<u>467,345</u>	<u>100.0</u>	<u>747,773</u>	<u>100.0</u>

Notes:

(1) The relatively large amount of revenue generated from Europe is due to the inclusion of numerous countries within the region. During the Track Record Period, no individual country in Europe constituted a material portion of our total revenue.

(2) Others include South America and Oceania.

* Less than 0.1.

In 2023, we generated minimal revenue overseas, primarily from the limited sales of our visual perception products. Since 2024, the proportion of our revenue generated overseas has increased, mainly due to the mass production and sales of our robot lawn mower products in international markets.

The following table sets forth a breakdown of our revenue generated from visual perception products by applications during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
By applications			
Household	268,710	434,491	589,569
Commercial	2,034	1,932	11,990
Industrial	1,409	740	1,475
Others	<u>2,003</u>	<u>2,115</u>	<u>3,418</u>
Total	<u>274,155</u>	<u>439,278</u>	<u>606,452</u>

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Cost of Sales

Our cost of sales primarily consists of (i) direct materials, including electronic components, optical components and structural components, (ii) direct labor costs, (iii) manufacturing overhead, mainly comprising indirect production costs such as salaries of production management personnel, plant rent and utility expenses and (iv) subcontracted processing costs. The following table sets forth a breakdown of our cost of sales by nature for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Direct materials	160,684	78.2	291,600	77.5	419,695	75.5
Direct labor costs . .	18,546	9.0	33,068	8.8	44,665	8.0
Manufacturing overhead	20,207	9.8	33,043	8.8	46,581	8.4
Subcontracted processing costs . .	6,016	3.0	18,316	4.9	44,887	8.1
Total	<u>205,453</u>	<u>100.0</u>	<u>376,028</u>	<u>100.0</u>	<u>555,828</u>	<u>100.0</u>

Our cost of sales accounted for 74.3%, 80.5% and 74.3% of our revenue in 2023, 2024 and 2025, respectively. Throughout the Track Record Period, the procurement costs of direct materials increased mainly in line with our revenue growth, and such increases were primarily attributable to the increases in the delivered volume of our visual perception products and the mass production of our robot lawn mowers in 2024.

Our cost of sales primarily relates to the costs incurred to deliver our visual perception products and robot lawn mowers. The cost of sales for each of our major business lines is therefore largely affected by changes in the volume of such products delivered in a particular period. The following table sets forth a breakdown of our cost of sales by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Visual Perception Products						
Sensors	136,303	66.3	288,883	76.9	345,939	62.2
Algorithm modules . . .	66,903	32.6	67,844	18.0	127,138	22.9
	<u>203,206</u>	<u>98.9</u>	<u>356,727</u>	<u>94.9</u>	<u>473,077</u>	<u>85.1</u>
Robot lawn mowers	32	—*	15,464	4.1	78,964	14.2
Others	2,215	1.1	3,837	1.0	3,787	0.7
Total	<u>205,453</u>	<u>100.0</u>	<u>376,028</u>	<u>100.0</u>	<u>555,828</u>	<u>100.0</u>

Note:

* Less than 0.1.

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Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross margins by business line for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB in thousands, except for percentages)</i>					
Visual Perception Products						
Sensors	30,994	18.5	51,689	15.2	88,744	20.4
Algorithm modules . . .	39,955	37.4	30,862	31.3	44,631	26.0
	<u>70,949</u>	25.9	<u>82,551</u>	18.8	<u>133,375</u>	22.0
Robot lawn mowers	31	49.2	7,808	33.6	57,932	42.3
Others ⁽¹⁾	129	5.5	958	20.0	638	14.4
Total	<u><u>71,109</u></u>	25.7	<u><u>91,317</u></u>	19.5	<u><u>191,945</u></u>	25.7

Note:

- (1) Others mainly refer to gross profit and gross margin of the sales of spare parts and consumables. These activities contributed an insignificant portion of our revenue during the Track Record Period. The gross profit and gross margin of others fluctuated significantly during the Track Record Period, as we performed the relevant sales only based on demand from customer.

The following table sets forth our gross profit and gross profit margins by geographical locations, for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin	Gross Profit	Gross profit margin
	<i>(RMB in thousands, except for percentages)</i>					
Mainland China	70,501	25.6	83,764	18.7	135,037	22.1
Overseas						
– Europe	27	75.0	2,956	59.3	37,779	43.9
– North America	409	97.4	1,843	56.3	13,457	58.1
– Asia (excluding mainland China).	98	70.5	2,707	26.4	5,136	19.2
– Others ⁽¹⁾	74	63.8	47	83.9	536	37.6
Overseas subtotal	<u><u>608</u></u>	85.5	<u><u>7,553</u></u>	40.7	<u><u>56,908</u></u>	41.4

Note:

- (1) Others include South America and Oceania.

During the Track Record Period, our gross profit margin from overseas was significantly higher than that from mainland China, primarily due to (i) the higher gross margins from sporadic sales of visual perception products overseas compared to large-scale deliveries in China, and (ii) the commencement of mass production and overseas sales of our higher-margin robot lawn mower products since 2024. In particular, our gross profit margin generated from

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Europe decreased from 59.3% in 2024 to 43.9% in 2025, primarily because we began offline sales in Europe in 2025, which had a lower gross profit margin compared to online sales. Our gross profit margin generated from North America increased from 56.3% in 2024 to 58.1% in 2025, primarily due to our increased sales of second-generation robot lawn mowers targeting larger lawns, which had a higher gross profit margin.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, (ii) marketing expenses, (iii) equity-settled share-based payment expenses, (iv) professional service fees, and (v) travel and entertainment expenses. The following table sets forth a breakdown of our selling and marketing expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses	13,070	61.4	15,758	50.1	26,799	33.0
Marketing expenses	1,346	6.3	5,693	18.2	31,715	39.1
Equity-settled share-based payment expenses	2,843	13.4	3,228	10.3	3,381	4.2
Professional service fees	1,502	7.1	2,652	8.4	13,047	16.1
Travel and entertainment expenses	2,083	9.8	2,423	7.7	4,431	5.5
Others	428	2.0	1,673	5.3	1,828	2.2
Total	21,272	100.0	31,427	100.0	81,201	100.0

Our selling and marketing expenses were RMB21.3 million, RMB31.4 million and RMB81.2 million in 2023, 2024 and 2025, respectively, representing 7.7%, 6.7% and 10.9% of our total revenue, respectively. Our selling and marketing expenses increased consistently during the Track Record Period, primarily due to the expansion of our marketing team and our continuous investment in promotional activities, in line with our business growth.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses, (ii) equity-settled share-based payment expenses, (iii) taxes and surcharges, (iv) depreciation and amortization of office equipment, (v) rent and renovation expenses, (vi) service fees, and (vii) office expenses. The following table sets forth a breakdown of our administrative expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses	23,730	58.1	21,743	58.9	23,647	34.0
Equity-settled share-based payment expenses	7,269	17.8	4,469	12.1	13,144	18.9
Taxes and surcharges	1,531	3.8	2,408	6.5	5,593	8.1
Depreciation and amortization	1,927	4.7	2,077	5.6	2,339	3.4

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Rent and renovation expenses	2,216	5.4	1,924	5.2	1,924	2.8
Service fees	1,939	4.8	1,682	4.6	4,099	5.9
Listing expenses related to the Global Offering	—	—	—	—	13,644	19.6
Office expenses	1,353	3.3	1,584	4.3	2,396	3.4
Others	866	2.1	1,038	2.8	2,672	3.8
Total	<u>40,831</u>	<u>100.0</u>	<u>36,925</u>	<u>100.0</u>	<u>69,458</u>	<u>100.0</u>

Our administrative expenses were RMB40.8 million, RMB36.9 million and RMB69.5 million in 2023, 2024 and 2025, respectively, representing 14.8%, 7.9% and 9.3% of our revenue, respectively. Our administrative expenses decreased from 2023 to 2024, primarily due to our continued efforts to improve our administrative efficiency. Our administrative expenses increased from 2024 to 2025, primarily due to the listing expenses related to the Global Offering incurred in relation to our proposed Listing in 2025.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, (ii) material consumption, (iii) equity-settled share-based payment expenses, (iv) R&D support expenses, (v) travel and entertainment expenses, and (vi) depreciation and amortization. The following table sets forth a breakdown of our research and development expenses for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses	83,162	86.7	80,377	84.7	101,111	83.5
Material consumption	3,327	3.4	3,033	3.2	4,847	4.0
Equity-settled share-based payment expenses	2,602	2.7	4,111	4.3	6,243	5.2
R&D support expenses	2,167	2.3	2,345	2.5	3,130	2.6
Travel and entertainment expenses	1,865	1.9	2,196	2.3	2,084	1.7
Depreciation and amortization	1,872	2.0	2,087	2.2	2,403	2.0
Others	945	1.0	708	0.8	1,303	1.1
Total	<u>95,940</u>	<u>100.0</u>	<u>94,857</u>	<u>100.0</u>	<u>121,121</u>	<u>100.0</u>

Our research and development expenses were RMB95.9 million, RMB94.9 million and RMB121.1 million in 2023, 2024 and 2025, respectively, representing 34.7%, 20.3% and 16.2% of our revenue, respectively. Our research and development expenses decreased as a percentage of our revenue during the Track Record Period, primarily attributable to the rapid increase in revenue and the improvement in R&D efficiency.

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Other Income and Gains

Our other income and gains primarily consists of (i) government grants, representing the financial subsidies from the local government to support high-tech and emerging industries, (ii) interest income from certificate of deposits, and (iii) investment income from financial assets at fair value through profit or loss in relation to our investment in wealth management products. The following table sets forth a breakdown of our other income and gains for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Other income			
Government grants	8,046	10,260	14,393
Interest income from certificate of deposits	7,016	7,257	4,222
Investment income from financial assets at fair value through profit or loss	2,362	1,804	159
Bank interest income	1,623	624	2,224
Penalty income	2,297	—	—
Others	367	237	280
Gains			
Foreign exchange differences, net . . .	76	3	—
Gain on disposal of items of right of use	—	—	152
Fair value gains on financial assets at fair value through profit or loss . .	135	73	12
Total	<u>21,922</u>	<u>20,258</u>	<u>21,442</u>

Our bank interest income decreased from RMB1.6 million 2023 to RMB0.6 million in 2024, primarily due to (i) a decrease in the average level of our bank deposits in 2024, and (ii) a decrease in bank deposit interest rates. Our bank interest income then increased to RMB2.2 million in 2025, primarily due to (i) an increase in the average level of our bank deposits in 2025 as compared to 2024 and (ii) an increase in our higher-yielding foreign currency deposits.

We recorded penalty income of RMB2.3 million in 2023, reflecting a one-off penalty payment received from a customer who canceled their order after we had commenced production. Following negotiations, we entered into a separate order cancellation agreement with the customer, pursuant to which the customer compensated us for the amount of obsolete materials arising from the fulfillment of the order. Such compensation was received in full in October 2023.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represent provisions or reversals related to trade receivables overdue from customers. Our net impairment losses on financial assets increased from RMB2.4 million in 2023 to RMB4.3 million, in 2024, primarily attributable to the increase in year-end trade receivables balances, which was in line with our revenue growth. Our net impairment losses on financial assets then decreased to RMB2.2 million in 2025, primarily due to a specific provision for one customer in 2024 as a result of financial concerns. In 2025, provisions were made proportionally based on the standard rate for trade and bills receivable, with no special provision for that customer.

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Income Tax Expense

In 2023, 2024 and 2025, we did not incur any income tax expense, as we were in net loss positions.

We are subject to income tax based on profits generated in the jurisdictions where we operate. We are incorporated in the PRC, where the Enterprise Income Tax (“EIT”) is charged at a statutory rate of 25% of the assessable profits. Our Company was recognized as a national High and New Technology Enterprise (“HNTe”) in during the Track Record Period, and hence has been entitled to a preferential income tax rate of 15%.

Our subsidiary incorporated in Hong Kong is subject to the two-tiered profits tax rates regime on assessable profits arising in Hong Kong. The first HK\$2.0 million of assessable profits earned by the company during the year is taxed at a profits tax rate of 8.25%, while the remaining assessable profits are taxed at 16.5%.

For details, see Note 11 to the Accountants’ Report in Appendix I to this prospectus.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 60.0% from RMB467.3 million in 2024 to RMB747.8 million in 2025. The increase was primarily driven by the following:

- Revenue from our sales of visual perception products increased by 38.1% from RMB439.3 million in 2024 to RMB606.5 million in 2025, primarily due to increases in revenue from sales of sensors of RMB94.1 million driven by the rapid expansion of the downstream market during the period, which resulted in increased demand from our customers, and revenue from our sales of algorithm modules of RMB73.1 million, due to the commencement of mass production projects by several key customers. In addition, our shipment volume and market share for sensor products further improved, leading to a notable increase in segment revenue.
- Revenue from our sales of robot lawn mowers increased significantly from RMB23.3 million in 2024 to RMB136.9 million in 2025, primarily driven by our continued investment in marketing, expansion of online direct sales channels and the launch of our second-generation products.

Cost of Sales

Our cost of sales increased by 47.8% from RMB376.0 million in 2024 to RMB555.8 million in 2025, mainly in line with the increase in our revenue. In particular, our subcontracted processing costs increased by 145.4% from RMB18.3 million to RMB44.9 million, primarily attributable to the rapid increase in shipment volume of our visual perception and robot lawn mower products. At present, all of our robot lawn mowers are assembled by third-party manufacturers. Accordingly, any increase in the shipment volume of robot lawn mowers directly leads to a rise in our subcontracted processing costs.

- Our cost of sales for visual perception products increased by 32.6% from RMB356.7 million in 2024 to RMB473.1 million in 2025, primarily due to the increase in shipment volume of our products.

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- Our cost of sales for robot lawn mowers increased significantly from RMB15.5 million in 2024 to RMB79.0 million in 2025, in line with the rapid increase in the shipment volume of our robot lawn mowers.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly from RMB91.3 million in 2024 to RMB191.9 million in 2025.

Our gross profit margin increased from 19.5% in 2024 to 25.7% in 2025, primarily attributable to the increase in the revenue contribution from our robot lawn mower business with relatively higher gross profit margins.

- Our overall gross profit margin of sales of visual perception products increased from 18.8% in 2024 to 22.0% in 2025. Specifically, the gross profit margin of sensors increased from 15.2% in 2024 to 20.4% in 2025, primarily due to a higher proportion of sales from our DTOF LiDAR products, which carry a higher gross profit margin. By contrast, the gross profit margin of algorithm modules decreased from 31.3% in 2024 to 26.0% in 2025, mainly as a result of mass production for key customer projects in 2025, which had a lower gross profit margin compared to other customers. This project is our first mass-produced algorithms module offering with this key account customer. To secure this customer and establish a long-term strategic partnership, we offered it a price discount of approximately 20%. We recorded RMB63.5 million revenue of algorithm module from this customer in 2025, representing approximately 37.0% of our total revenue from algorithm module in the same period.
- Gross profit margin of our sales of robot lawn mowers increased from 33.6% in 2024 to 42.3% in 2025, primarily attributable to an increased revenue contribution from our second-generation products with higher gross profit margin compared to our first-generation products.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 158.6% from RMB31.4 million in 2024 to RMB81.2 million in 2025, primarily due to (i) an increase in marketing expenses in relation to our online and offline marketing activities for our robot lawn mowers, (ii) an increase in employee benefit expenses attributable to the expansion of our marketing team, and (iii) an increase in professional service fees mainly represented by increased commission fees paid to e-commerce platforms, as a result of higher sales volumes generated through these online channels.

Administrative Expenses

Our administrative expenses increased by 88.3% from RMB36.9 million in 2024 to RMB69.5 million in 2025, primarily due to the listing expenses related to the Global Offering incurred in 2025, representing the professional service fees in relation to our proposed Listing.

Research and Development Expenses

Our research and development expenses increased by 27.6% from RMB94.9 million in 2024 to RMB121.1 million in 2025, primarily due to the increase in our employee benefit expenses as the expansion of our R&D team for robot lawn mower development.

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Other Income and Gains

Our other income and gains increased by 5.4% from RMB20.3 million in 2024 to RMB21.4 million in 2025, primarily attributable to our receipt of “Little Giant” enterprise special subsidy of RMB2.9 million in 2025.

Net impairment losses on financial assets

Our impairment losses on financial assets decreased from RMB4.3 million in 2024 to RMB2.2 million in 2025, primarily due to a specific provision for one customer in 2024 as a result of financial concerns. In 2025, provisions were made proportionally based on the standard rate for trade and bills receivable, with no special provision for that customer.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 10.6% from RMB56.5 million in 2024 to RMB62.5 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 69.0% from RMB276.6 million in 2023 to RMB467.3 million in 2024. The increase was primarily driven by the following:

- Revenue from our sales of visual perception products increased by 60.2% from RMB274.2 million in 2023 to RMB439.3 million in 2024, primarily due to an increase in revenue from sales of sensors of RMB173.3 million driven by additional orders in 2024. The growth was partially offset by a decrease in revenue from our sales of algorithm modules of RMB8.2 million, due to the decrease in unit price of our algorithm modules as we adopted a price-for-market strategy to maintain competitiveness and capture market share, despite an increase in shipment volume.
- Revenue from our sales of robot lawn mowers increased significantly from RMB63,000 in 2023 to RMB23.3 million in 2024, primarily because we only did small-scale trial production and initial market rollout of this new product line of robot lawn mowers in 2023, with very limited sales that year, and the commenced mass production and sales in 2024.

Cost of Sales

Our cost of sales increased by 83.0% from RMB205.5 million in 2023 to RMB376.0 million in 2024, mainly in line with the increase in our revenue.

- Our cost of sales for visual perception products increased by 75.5% from RMB203.2 million in 2023 to RMB356.7 million in 2024, primarily due to the increase in shipment volume of our products.
- Our cost of sales for robot lawn mowers increased significantly from RMB32,000 in 2023 to RMB15.5 million in 2024, primarily due to the transition from small-scale trial production and initial market rollout in 2023 to mass production and sales of our robot lawn mowers in 2024.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 28.4% from RMB71.1 million in 2023 to RMB91.3 million in 2024.

Our gross profit margin decreased from 25.7% in 2023 to 19.5% in 2024, primarily attributable to the decrease in the revenue contribution from our business with relatively higher gross profit margins.

- Our gross profit margin of sales of visual perception products decreased from 25.9% in 2023 to 18.8% in 2024, primarily because our triangulation LiDAR products, for which our technological advantages were less significant, accounted for a relatively large proportion of our revenue from visual perception products in 2024. We proactively adopted a price-for-market strategy and lowered our unit prices in order to maintain our market share in the household service robot segment. According to CIC, our price reduction was consistent with overall market trends.
- Our gross profit margin of sales of robot lawn mowers decreased from 49.2% in 2023 to 33.6% in 2024, primarily attributable to the commencement of mass production and sales in 2024, which stabilized the gross margin for this product line as operations scaled up. In 2023, we only sold 23 units of the prototype of first-generation robot lawn mowers, with an approximately 15.0% higher price as compared to the price after mass production. As such, our gross profit margin of robot lawn mowers was higher in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 47.4% from RMB21.3 million in 2023 to RMB31.4 million in 2024, primarily due to (i) an increase in marketing expenses in relation to increased promotional efforts to market our new products, particularly the robot lawn mowers, and (ii) an increase in employee benefit expenses attributable to the expansion of our marketing team in line with our business growth.

Administrative Expenses

Our administrative expenses decreased from RMB40.8 million in 2023 to RMB36.9 million in 2024, primarily due to the decreases in employee benefit expenses and equity-settled share-based payment expenses as the improved operational efficiency of our administrative team, partially offset by an increase in taxes and surcharges in line with our business expansion.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB95.9 million and RMB94.9 million in 2023 and 2024, respectively.

Other Income and Gains

Our other income and gains decreased slightly from RMB21.9 million in 2023 to RMB20.3 million in 2024, primarily attributable to (i) a decrease in penalty income of RMB2.3 million, reflecting a one-off penalty payment received from a defaulting customer in 2023, and (ii) a decrease in bank interest income of RMB1.0 million due to the decreased interest rate.

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Net impairment losses on financial assets

Our impairment losses on financial assets increased from RMB2.4 million in 2023 to RMB4.3 million in 2024, primarily due to the increase in year-end trade receivables balances, which in line with our revenue growth.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 17.5% from RMB68.5 million in 2023 to RMB56.5 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment mainly consist of machinery and equipment, motor vehicles, office equipment and fixtures, leasehold improvement and construction in progress. Our property, plant and equipment increased from RMB26.8 million as of December 31, 2023 to RMB30.1 million as of December 31, 2024, primarily due to the increase in our machinery and equipment for manufacturing in line with our business expansion. Our property, plant and equipment then decreased to RMB29.6 million as of December 31, 2025, primarily because some of our mould assets were reclassified as assets held for sale in preparation for their disposal.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) certificate of deposits, (ii) value-added tax recoverable, (iii) other receivables and (iv) prepayments. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Certificate of deposits	155,137	110,667	—
Other receivables and deposits	1,713	2,077	3,037
Contract costs	1,717	1,263	780
Prepayments for property, plant and equipment	346	1,225	2,322
Provision for impairment	(95)	(258)	(152)
	158,818	114,974	5,987
Current			
Certificate of deposits	92,516	160,337	41,461
Value-added tax recoverable	6,253	13,314	36,441
Other receivables	11,320	8,425	3,888
Prepayments	892	3,442	6,203
Assets classified as held for sale	—	—	5,719
Deferred listing expenses related to the Global Offering	—	—	2,898
Right-of-return assets	—	—	155

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	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Contract costs	2,367	835	388
Provision for impairment	(169)	(23)	(554)
	<u>113,179</u>	<u>186,330</u>	<u>96,599</u>
Total	<u>271,997</u>	<u>301,304</u>	<u>102,586</u>

Our prepayments, other receivables and other assets increased from RMB272.0 million in 2023 to RMB301.3 million in 2024, primarily due to the continued increase in certificate of deposits, representing an increase in the balance of our large-denomination bank certificates of deposit as we reallocated our cash from normal bank deposits to deposit products with higher-yield. Our prepayments, other receivables and other assets then decreased to RMB102.6 million as of December 31, 2025, primarily due to the decrease in certificate of deposits, representing the decrease in the balance of our large-denomination bank certificates of deposit attributable to net cash outflows from our operating activities in 2025.

As of February 28, 2026, RMB9.8 million, or approximately 9.6%, of our prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled.

Inventories

Our inventories primarily comprise (i) raw materials, (ii) work in progress, (iii) finished goods, and (iv) goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Raw materials	13,812	22,826	30,000
Work in progress	5,576	8,281	11,552
Finished goods	9,820	13,345	50,565
Goods in transit	<u>2,505</u>	<u>423</u>	<u>5,267</u>
Total	<u>31,713</u>	<u>44,875</u>	<u>97,384</u>

Our inventories increased from RMB31.7 million as of December 31, 2023 to RMB44.9 million as of December 31, 2024, primarily due to (i) an increase in raw materials of RMB9.0 million, and (ii) an increase in finished goods of RMB3.5 million in line with our increased shipment volume in 2024. Our inventories increased from RMB44.9 million as of December 31, 2024 to RMB97.4 million as of December 31, 2025, primarily due to increased demand for our robot lawn mowers in overseas markets. Given that shipments to overseas customers generally involve longer transportation cycles, we needed to build up our inventory in advance to ensure timely delivery and meet growing sales orders.

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As of December 31, 2023, 2024 and 2025, a substantial majority of our inventories balance was aged within one year. The following table sets forth an aging analysis of our inventories based on recognition date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	26,383	44,460	97,211
1 year to 2 years	3,828	1,703	1,660
2 years to 3 years	6,711	242	326
Over 3 years	1	191	105
	36,923	46,596	99,302
Less: provision	(5,210)	(1,721)	(1,918)
Total	<u>31,713</u>	<u>44,875</u>	<u>97,384</u>

The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Inventory turnover days ⁽¹⁾	66	37	47

Note:

- (1) Inventory turnover days equal the average of opening balance and closing balance of the inventories for relevant period divided by cost of sales for the same period and multiplied by the number of days during such period, which is 365 days for one fiscal year.

Our inventory turnover days decreased from 66 days in 2023 to 37 days in 2024. The decrease was primarily because we improved our inventory turnover efficiency. The main measures that contributed to the improvement in our inventory turnover efficiency included (i) incorporating the accuracy of sales forecasts and inventory turnover targets into the key performance indicators for our sales, supply chain and finance teams to promote coordinated and accountable management, (ii) implementing stringent inventory management policies under which production or advance stocking is only permitted upon receipt of formal customer orders or delivery schedules, (iii) adopting a classification system for raw materials and applying differentiated inventory strategies based on material type, procurement cycle and criticality to minimise inventory levels while ensuring timely supply, and (iv) establishing regular monitoring and handling procedures for slow-moving inventory. Our inventory turnover days increased from 37 days in 2024 to 47 days in 2025, primarily due to increased demand for our robot lawn mowers in overseas markets. Overseas shipments require a longer stocking period in order to ensure timely delivery to international customers.

As of February 28, 2026, RMB58.0 million, or approximately 59.6%, of our inventories as of December 31, 2025 had been subsequently sold or utilized. The relatively low settlement ratio for inventories as of December 31, 2025 was because our robot lawn mowers are delivered to overseas customers by sea after completion of production, and therefore require approximately three months for inventory build-up before delivery.

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Trade and Bills Receivables

Our trade and bills receivables represent amounts due from customers for goods sold or services performed in our ordinary course of business. The following table sets forth our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	109,409	163,440	156,051
Bills receivables	10,509	5,212	8,336
Impairment for trade receivables	(4,387)	(8,317)	(10,069)
Total	<u>115,531</u>	<u>160,335</u>	<u>154,318</u>

Our trade and bills receivables increased from RMB115.5 million as of December 31, 2023 to RMB160.3 million as of December 31, 2024, primarily due to our business growth throughout the Track Record Period. Our trade and bills receivables decreased to RMB154.3 million as of December 31, 2025, primarily due to our improved collection efforts and settlements from customers in 2025, despite the significant increase in revenue. Our bills receivables represents the promissory notes and bills of exchange we received from our customers. The changes in our bills receivables as of December 31, 2023, 2024 and 2025 were primarily attributable to shifts in the payment settlement methods adopted by our customers.

The credit period that we granted to customers during the Track Record Period was 30 to 60 days after the date of VAT invoices. Our trade receivables are generally settled in line with the terms of relevant contracts. During the Track Record Period, most of our trade receivables were outstanding for less than one year. The following table sets forth an aging analysis of our trade receivables, including related provision for impairment, based on recognition date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	104,865	150,628	143,135
1 year to 2 years	157	4,481	2,741
2 years to 3 years	—	14	106
Total	<u>105,022</u>	<u>155,123</u>	<u>145,982</u>

The following table sets forth the turnover days of our trade and bills receivables for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade and bills receivables turnover days ⁽¹⁾	127	113	81

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Note:

- (1) Trade and bills receivables turnover days equal the average of opening balance and closing balance of trade and bills receivables for relevant period divided by total revenue for the same period and multiplied by the number of days during such period, which is 365 days for one fiscal year.

Our trade and bills receivables turnover days decreased from 127 days in 2023 to 113 days in 2024 and further to 81 days in 2025, primarily due to our strengthened customer management and increased efforts in the collection of accounts receivable.

As of February 28, 2026, RMB88.3 million, or approximately 53.7%, of our trade and bills receivables as of December 31, 2025 had been subsequently settled. The relatively low settlement ratio for trade and bills receivables as of December 31, 2025 was because most of such receivables had not yet fallen due as of February 28, 2026. In 2025, our trade and bills receivables turnover days were 81 days, which was broadly in line with our standard credit term of 90 days granted to our customers.

Debt Investments at Fair Value through other Comprehensive Income

Our debt investments at fair value through other comprehensive income (“FVOCI”) represent our bank acceptance bills, which arise from our ordinary sales activities. These bills are issued by our customers’ banks as settlement of trade receivables due to us, instead of our customers paying us directly in cash. These bank acceptance bills are issued by reputable banks in Chinese Mainland. We hold these bank acceptance bills mainly to collect the cash from the banks when they mature, but we may also sell them before maturity if needed. In 2023, 2024 and 2025, our debt investments at FVOCI amounted to RMB7.2 million, RMB7.3 million and RMB68.5 million, respectively. Our debt investments at FVOCI increased significantly from RMB7.3 million as of December 31, 2024 to RMB68.4 million as of December 31, 2025, primarily attributable to, (i) an increase in customer settlements, which was in line with our revenue growth, (ii) a change in settlement method by certain major customers in 2025, who started to settle their balances by bank acceptance notes instead of cash, and (iii) an increase in the balance of bank acceptance notes to be used for settling payables to suppliers, resulting from our use of such notes by way of endorsement to settle payables to suppliers, including a sizable portion of payables settled in January 2026. See Note 23 to the Accountants’ Report of the Group in the Appendix I to this prospectus for details.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily represent our investments in wealth management products, which mainly comprise principal-guaranteed, floating-rate structured deposits. See Note 18 to the Accountants’ Report of the Group in Appendix I to this prospectus. Our financial assets at FVTPL decreased from RMB106.1 million as of December 31, 2023 to RMB10.1 million as of December 31, 2024 primarily because interest rates on structured deposit products declined rapidly in 2024, and we therefore allocated more funds to large-denomination certificates of deposit with higher interest rates. Our financial assets at FVTPL increased to RMB20.0 million as of December 31, 2025, primarily due to our purchase of new structured deposit products in December 2025. The redeemed funds were either used for our business operations or transferred into large-denomination certificates of deposit. See “—Prepayments, Other Receivables and Other Assets” for the details of certificates of deposit.

We monitor and control our investment risks with a set of internal policies and guidelines to manage our investments. Our current investments are principal-guaranteed wealth management products, including large-denomination bank certificates of deposit and structured deposits. In line with the company’s business objectives and budget, we annually present a

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report detailing the proposed investment amount to both our Board for their consideration and approval. Based on the approved investment quota, we will purchase wealth management products with idle funds while ensuring sufficient working capital to meet business needs, operating activities, R&D and capital expenditures, taking into account a number of factors including the macro-economic environment, general market conditions, risk control, credit of issuing financial institutions, our own working capital conditions, duration of the investment and the expected profit or potential loss of the investment. Our finance department plays a crucial role in proposing, analyzing and evaluating potential investments in wealth management products. We strategically utilize our idle funds to invest in short-term wealth management products offered by banks. To control our risk exposure, we have been, and will continue to be, seeking other low-risk financial products. The purchase of relevant wealth management products is subject to the necessary approvals from the chief financial officer and the general manager of the Company before any investment within the approved limit can be executed. After making an investment, we closely monitor its performance and fair value on a regular basis. Our finance department will record details of each wealth management product, including purchase amount, redemption and return. Our finance department will actively monitor our expenditures and cash and bank balances. Upon the Listing, our investment in wealth management products is subject to the compliance with Chapter 14 of the Listing Rules.

Trade and Bills Payables

Our trade and bills payables primarily represent amounts owed to our suppliers for goods and services purchased. The following table sets forth our trade and bills payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade payables	96,098	121,614	135,729
Bills payables	—	71,241	87,660
Total	<u>96,098</u>	<u>192,855</u>	<u>223,389</u>

Our trade and bills payables increased from RMB96.1 million as of December 31, 2023 to RMB192.9 million as of December 31, 2024 and RMB223.4 million as of December 31, 2025, primarily due to an increase in our procurement of direct materials in line with our business expansion. During the Track Record Period, our suppliers typically granted us a credit period of 30 to 90 days after the date of the VAT invoices. The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	92,321	191,101	222,538
Over one year	3,777	1,754	851
Total	<u>96,098</u>	<u>192,855</u>	<u>223,389</u>

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The following table sets forth the turnover days of our trade and bills payables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(days)		
Trade and bills payables turnover days ⁽¹⁾	125	140	137

Note:

- (1) Trade and bills payables turnover days equal the average of the opening and closing balances of trade and bills payables for relevant period divided by total cost of sales for the same period and multiplied by the number of days during such period, which is 365 days for one fiscal year.

Our trade and bills payables turnover days increased from 125 days in 2023 to 140 days in 2024. The slight increase was primarily due to our increased bargaining power with our suppliers, driven by increased procurement volume in line with sales growth and longer-standing supplier relationships, which enabled us to secure more favorable pricing and payment terms, as suppliers were willing to accept longer payment cycle with us. Specifically, during the Track Record Period, a number of suppliers agreed to extend 30 days beyond the originally agreed payment terms. Our trade and bills payable turnover days decreased from 140 days in 2024 to 137 days in 2025, primarily due to the increased proportion of revenue contributed by our robot lawn mower business line, the suppliers of which have a relatively shorter history of cooperation with us and generally offer shorter average credit periods compared to our visual perception product business line.

As of February 28, 2026, RMB102.6 million, or approximately 45.9%, of our trade and bills payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals primarily consist of payroll payables, payables for purchase of property, plant and equipment and other payables. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current			
Payroll payables	20,056	25,165	30,973
Payables for property, plant and equipment	2,732	1,746	7,919
Other tax payables	1,923	3,404	5,786
Other payables and deposits	5,515	8,093	7,139
Refund liabilities	—	—	374
Payable for listing expenses related to the Global Offering	—	—	1,583
Advance receipts for the disposal of assets	—	—	3,366
	30,226	38,408	57,140

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	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current			
Other payables	1,424	1,113	994
Total	<u>31,650</u>	<u>39,521</u>	<u>58,134</u>

Our other payables and accruals increased from RMB31.7 million as of December 31, 2023 to RMB39.5 million as of December 31, 2024, primarily due to an increase in our payroll payables and the current portion of other payables and deposits. Our other payables and accruals increased from RMB39.5 million as of December 31, 2024 to RMB58.1 million as of December 31, 2025, primarily due to (i) an increase in payables for property, plant and equipment of RMB6.25 million representing payables for newly purchased production molds and other fixed assets, (ii) an increase in payroll payables of RMB5.8 million as a result of an increase in the number of employees and the resulting higher accruals for salaries and year-end bonuses.

As of February 28, 2026, RMB34.2 million, or approximately 58.8%, of our other payables and accruals as of December 31, 2025 had been subsequently settled.

SHARE CAPITAL AND TOTAL EQUITY

Our share capital amounted to RMB30.0 million, RMB30.0 million and RMB30.0 million as of December 31, 2023, 2024 and 2025, respectively.

In addition, our total equity amounted to RMB452.3 million, RMB407.6 million and RMB368.0 million as of December 31, 2023, 2024 and 2025, respectively. In 2023, our total equity decreased from RMB508.0 million as of January 1, 2023 to RMB452.3 million as of December 31, 2023, primarily reflecting our loss for the year ended December 31, 2023 of RMB68.5 million. Our total equity further decreased to RMB407.6 million as of December 31, 2024, primarily reflecting our loss for the year ended December 31, 2024 of RMB56.5 million. Our total equity then decreased to RMB368.0 million as of December 31, 2025, primarily reflecting our loss for the year ended December 31, 2025 of RMB62.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Net Current Assets

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	February 28, 2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Current assets				
Inventories	31,713	44,875	97,384	136,078
Trade and bills receivables	115,531	160,335	154,318	166,982

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	As of December 31,			As of
	2023	2024	2025	February 28, 2026
	(RMB in thousands)			(unaudited)
Debt investments at fair value through other comprehensive income	7,238	7,289	68,449	30,711
Prepayments, other receivables and other assets	113,179	186,330	96,599	134,346
Financial assets at fair value through profit or loss ("FVTPL")	106,136	10,073	20,012	20,020
Time deposits	—	—	—	—
Restricted bank deposits	—	28,000	52,982	35,993
Cash and cash equivalents	27,585	46,950	119,382	110,357
Total current assets	<u>401,382</u>	<u>483,852</u>	<u>609,126</u>	<u>634,487</u>
Current liabilities				
Trade and bills payables	96,098	192,855	223,389	254,694
Contract liabilities	5,376	2,225	9,912	25,368
Other payables and accruals	30,226	38,408	57,140	58,458
Lease liabilities	6,065	6,606	4,569	8,765
Provisions	1,378	1,877	2,861	3,003
Tax payable	—	—	—	—
Total current liabilities	<u>139,143</u>	<u>241,971</u>	<u>297,871</u>	<u>350,288</u>
Net Current Assets	<u>262,239</u>	<u>241,881</u>	<u>311,255</u>	<u>284,199</u>

Our net current assets decreased by 8.7% from RMB311.3 million as of December 31, 2025 to RMB284.2 million as of February 28, 2026, primarily due to (i) a decrease of RMB37.7 million in debt investments at fair value through other comprehensive income, mainly because we settled payables to suppliers in January 2026 with bank acceptance notes received from customers by way of endorsement, and (ii) an increase of RMB31.3 million of trade and bills payables, partially offset by (i) an increase of RMB38.7 million in inventories, and (ii) an increase of RMB37.7 million in prepayments, other receivables and other assets.

Our net current assets increased by 28.7% from RMB241.9 million as of December 31, 2024 to RMB311.3 million as of December 31, 2025, primarily due to (i) an increase of RMB73.3 million in cash and cash equivalents, (ii) an increase of 61.2 million in debt investments at fair value through other comprehensive income, as we received more bank acceptance notes from customers in line with our revenue growth and certain major customers changed their settlement method to bank acceptance notes, and (iii) an increase of RMB52.5 million in inventories, partially offset by a decrease of RMB89.7 million in prepayments, other receivables and other assets.

Our net current assets decreased by 7.7% from RMB262.2 million as of December 31, 2023 to RMB241.9 million as of December 31, 2024, primarily due to (i) an increase of RMB96.8 million in trade and bills payables, and (ii) a decrease of 96.1 million in financial assets at FVTPL, partially offset by (i) an increase of RMB73.2 million in prepayments, other receivables and other assets, and (ii) an increase of RMB44.8 million in trade and bills receivables.

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Cash Flows

The following table sets forth selected cash flow statement information for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Operating loss before changes in working capital	(50,397)	(34,805)	(24,134)
Changes in working capital	(374)	5,261	(114,172)
Interest received	1,623	440	1,833
Net cash used in operating activities	(49,148)	(29,104)	(136,473)
Net cash (used in)/generated from investing activities	(159,028)	55,781	220,150
Net cash used in financing activities	(6,619)	(7,438)	(10,507)
Net increase/(decrease) in cash and cash equivalents	(214,795)	19,239	73,170
Cash and cash equivalents at the beginning of the year/period	242,356	27,585	46,950
Effect of foreign exchange rate changes, net	24	126	(738)
Cash and cash equivalents at the end of the year/period	<u>27,585</u>	<u>46,950</u>	<u>119,382</u>

Operating Activities

In 2025, we had net cash used in operating activities of RMB136.5 million, which represents our loss before tax of RMB62.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB22.8 million, (ii) depreciation of property, plant and equipment of RMB8.8 million, and (iii) depreciation of right-of-use assets of RMB7.5 million. The amount was further adjusted by negative changes in working capital, primarily including (i) increase in debt investments at fair value through other comprehensive income of RMB61.2 million as we received more bank acceptance notes from customers in line with our revenue growth and certain major customers changed their settlement method to bank acceptance notes, see Note 23 to the Appendix I to this prospectus for details, (ii) increase in inventories of RMB54.1 million as we built up inventory levels of robot lawn mowers to in light of the increase in our overseas sales and the relatively long replenishment cycle, resulting in an increase in products in transit by sea and recorded as finished goods under inventories to ensure timely delivery to overseas customers, (iii) increase in prepayments, other receivables and other assets of RMB25.3 million, and (iv) increase in restricted bank deposits of RMB25.0 million representing guarantee deposits for issuing bill payables, partially offset by increase in trade and bills payables of RMB27.4 million primarily due to an increase in our purchases of raw materials from RMB329.9 million in 2024 to RMB521.3 million in 2025, in line with our business expansion.

In 2024, we had net cash used in operating activities of RMB29.1 million, which represents our loss before tax of RMB56.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB11.8 million, (ii) investment income from certificate of deposits of RMB7.3 million, (iii) depreciation of property, plant and equipment of RMB6.7 million, and (iv) depreciation of right-of use assets of RMB6.7 million. The amount was further adjusted by positive changes

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in working capital, primarily including an increase in trade and bills payables of RMB86.2 million in line with our business growth, partially offset by (i) an increase in trade and bills receivables of RMB38.2 million resulting from our continuous business growth, (ii) an increase in restricted bank deposits of RMB28.0 million, and (iii) an increase in inventories of RMB14.4 million as we procured more raw materials and had more finished goods to meet our increased shipment volume.

In 2023, we had net cash used in operating activities of RMB49.1 million, which represents our loss before tax of RMB68.5 million, adjusted for certain non-cash and non-operating items, primarily including (i) share-based payment compensation of RMB12.7 million, (ii) investment income from certificate of deposits of RMB7.0 million, (iii) depreciation of right-of use assets of RMB5.6 million, and (iv) depreciation of property, plant and equipment of RMB5.1 million. The amount was further adjusted by negative changes in working capital, primarily including (i) an increase in trade and bills receivables of RMB57.4 million resulting from our business growth, and (ii) an increase in prepayments, other receivables and other assets of RMB7.8 million as we allocated cash from regular bank deposit to certificate of deposits with higher-yield, partially offset by an increase in trade and bills payables of RMB61.8 million resulting from an increase of our procurement of direct materials.

For analysis on our loss-making position, see “—Period-to-Period Comparison of Results of Operations” and “Business—Business Sustainability and Path to Profitability.”

To improve our net operating cash outflow position, we will (i) revisit payment terms with our suppliers to expand the use of bank acceptance bills and extend settlement period; (ii) optimize our overseas inventory level by improving inventory turnover and reducing amount of working capital required; and (iii) further enhance our sales of robot lawn mowers as we generally receive immediate or advanced payment from customers of robot lawn mowers, and we only grant a one-month credit period to distributors of robot lawn mowers. We aim to improve our operating cash flow through these measures.

Investing Activities

In 2025, we had net cash generated from investing activities of RMB220.2 million, primarily due to proceeds from redemption of certificate of deposits of RMB236.1 million and proceeds from redemption of wealth management product of RMB170.2 million, partially offset by purchase of wealth management product of RMB180.0 million.

In 2024, we had net cash generated from investing activities of RMB55.8 million, primarily due to proceeds from redemption of wealth management product of RMB308.9 million and proceeds from redemption of certificate of deposits of RMB139.1 million, partially offset by purchase of wealth management product of RMB211.0 million and purchase of certificate of deposits of RMB155.2 million.

In 2023, we had net cash used in investing activities of RMB159.0 million, primarily attributable to purchase of wealth management products of RMB396.0 million and purchase of certificate of deposits of RMB140.0 million, partially offset by proceeds from redemption of wealth management products of RMB342.5 million.

Financing Activities

In 2025, we had net cash used in financing activities of RMB10.5 million, primarily due to our principal portion of lease payment of RMB7.6 million.

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In 2024, we had net cash used in financing activities of RMB7.4 million, primarily due to our principal portion of lease payment of RMB7.0 million.

In 2023, we had net cash used in financing activities of RMB6.6 million, primarily due to our principal portion of lease payment of RMB5.7 million.

INDEBTEDNESS

The table below sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	February 28, 2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Current				
Lease liabilities	6,065	6,606	4,569	8,765
Non-current				
Lease liabilities	7,307	2,010	8,091	15,961
Total indebtedness	<u>13,372</u>	<u>8,616</u>	<u>12,660</u>	<u>24,726</u>

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices and factories. Our lease liabilities decreased from RMB13.4 million in 2023 to RMB8.6 million in 2024, primarily due to depreciation recognized during the lease term. Our lease liabilities increased from RMB8.6 million as of December 31, 2024 to RMB12.7 million as of December 31, 2025, primarily because we renewed the lease for our office premises. Our lease liabilities further increased to RMB24.7 million as of February 28, 2026, primarily because we renewed the leases for our office and factory premises.

Save as disclosed above, as of February 28, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since February 28, 2026 and up to the date of this prospectus.

CAPITAL EXPENDITURES

Our capital expenditures were RMB6.0 million, RMB11.2 million and RMB10.4 million in 2023, 2024 and 2025, respectively. The following table sets forth our capital expenditure for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchase of items of property, plant and equipment	5,742	11,096	7,910
Purchase of intangible assets	268	58	2,494
Total	<u>6,010</u>	<u>11,154</u>	<u>10,404</u>

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During the Track Record Period, our capital expenditures were primarily for (i) the purchase of property, plant and equipment, primarily representing the machinery and equipment used in our production, and (ii) the purchase of intangible assets, primarily including software and patents.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the view, and the Joint Sponsors concur, that taking into account our available resources including cash and cash equivalents, certificate of deposits and time deposits on hand, which are liquid on demand, the operating cash flows, the available committed bank facilities and the net estimated proceeds from the Global Offering, we have sufficient working capital for our present requirements and for the next 12 months from the date of this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we primarily funded our cash requirements from cash from operations, and proceeds we received from Pre-IPO Investments. As of February 28, 2026, we had cash and cash equivalents of RMB110.4 million, committed unutilized bank facilities of RMB272.0 million, certificate of deposits of RMB41.6 million and time deposits of RMB15.6 million. We are able to flexibly withdraw cash from certificate of deposits and time deposits, which are liquid on demand, based on our operational needs. Our cash and cash equivalents, certificate of deposits and time deposits are sufficient to cover our net cash flow used in operating activities and provide adequate liquidity for our business expansion. We are subject to certain customary restrictive covenants under our credit facility agreements. For example, we are prohibited from merger, spin-off or reduction of registered capital without the prior consent of the relevant bank. Based on the past dealings with banks, our Directors are of the view that we do not foresee any difficulty in obtaining new bank loans and other borrowings. Furthermore, our Directors have confirmed that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of any bank loans and other borrowings or breach of covenants thereunder during the Track Record Period and up to the Latest Practicable Date.

Our net cash flow used in operating activities during the Track Record Period was primarily due to our loss before taxes and the continued increase in trade and bill receivables. Along with our business expansion, we endeavor to achieve profitability through our efforts to increase revenue and reinforcing our receivable collection efforts. Specifically, we plan to implement the following measures:

- Increase revenue scale. According to CIC, the global market size for visual perception technology reached RMB41.7 billion in 2024 and is expected to grow to RMB104.2 billion by 2029, representing a CAGR of 20.1%. Additionally the global market volume of robot lawn mowers is projected to expand from 383,500 units in 2024 to 3.4 million units in 2029, representing a CAGR of 54.7%. During the Track Record Period, our revenue increased from RMB276.6 million in 2023 to RMB747.8 million in 2025, representing a CAGR of 64.4%. Leveraging the robust industry growth, we intend to further expand our revenue source. See “Business—Business Sustainability and Path to Profitability—Path to Profitability” for details; and
- Reduce the accounts receivable collection cycles. We aim to shorten the accounts receivable turnover period by (i) increasing sales of robot lawn mowers under payment-after-delivery terms, (ii) further strengthening our customer management practices, including rigorous review of payment terms at the contract stage, performing periodic review, monitoring payment behavior and implementing credit assessment procedures to ensure their financial creditworthiness and (iii) enhancing collection of accounts receivable by regularly checking with our customers to ensure collection and implementing remedial measures when customers do not make timely payment.

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CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitments contracted of RMB2.9 million, RMB3.0 million and RMB8.2 million in relation to our agreements to purchase of machinery and equipment. Our Directors confirm that there had been no material change in our capital commitments since December 31, 2025 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in the contingent liabilities of our Company since December 31, 2025 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

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

	Year ended/as of December 31,		
	2023	2024	2025
Revenue growth rate ⁽¹⁾ (%)	18.3	69.0	60.0
Net loss margin ⁽²⁾ (%)	(24.8)	(12.1)	(8.4)
Adjusted net loss margin (non-HKFRS measure) ⁽³⁾ (%)	(20.2)	(9.6)	(3.5)
Gross profit margin ⁽⁴⁾ (%)	25.7	19.5	25.7
Debt to asset ratio ⁽⁵⁾ (%)	24.6	37.6	45.5

Notes:

- (1) Revenue growth rate equals the difference between the revenue for the year indicated and the revenue for the prior year, divided by the revenue for the prior year, and multiplied by 100%.
- (2) Net loss margin equals net loss divided by revenue for the year indicated and multiplied by 100%.
- (3) Adjusted net loss margin (non-HKFRS measure) equals adjusted net loss (non-HKFRS measure) divided by revenue for the year indicated and multiplied by 100%.
- (4) Gross profit margin equals to the gross profit for the year indicated divided by the revenue for the same year, and multiplied by 100%.
- (5) Debt to equity ratio equals to the total liabilities divided by the total assets as of the end of the relevant year and multiplied by 100%.

Our net loss margin decreased from 24.8% in 2023 to 12.1% in 2024 and further to 8.4% in 2025, primarily because we effectively reduced our net loss through business expansion and cost control measures. As a result, we recorded a rapid increase in revenue and a decrease in net loss during the Track Record Period.

Our debt to asset increased from 24.6% as of December 31, 2023 to 37.6% as of December 31, 2024, and further to 45.5% as of December 31, 2025, primarily due to the fact that our total liabilities grew at a faster pace than our total assets during the Track Record Period. In particular, our trade and bills payables increased from RMB96.1 million as of December 31, 2023 to RMB192.9 million as of December 31, 2024, and further to RMB223.4 million as of December 31, 2025, which corresponded with the expansion of our business.

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See “—Description of Key Components of Our Results of Operations—Revenue” for a detailed discussion of our revenue growth margin.

See “—Description of Key Components of Our Results of Operations—Gross profit and gross profit margin” for a detailed discussion of our gross profit margin.

FINANCIAL RISK MANAGEMENT

Our principal financial instruments include cash and cash equivalents, pledged deposits and financial assets at FVTPL. The primary purpose of these financial instruments is to support our operations by raising financing. We also have other financial assets and liabilities, such as trade and bills receivables and trade and bills payables, which arise directly from our business activities. The key risks associated with our financial instruments include foreign currency risk, credit risk, and liquidity risk. Our Directors regularly review these risks and establish policies to manage and mitigate their impact effectively. For details, see Note 37 to the Accountants’ Report included in Appendix I to this prospectus.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details of our related party transactions during the Track Record Period, see Note 33 to Appendix I to this prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 33 in Appendix I to this prospectus was conducted on an arm’s length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

DIVIDEND

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that any of our PRC subsidiaries makes will have to be first applied to make up for its historically accumulated losses, after which it will be obliged to allocate 10% of its net profit to its statutory common reserve fund until such fund has reached more than 50% of its registered capital. We will, therefore, only be able to declare dividends after, (i) our PRC subsidiaries’ historically accumulated losses have been made up for, and (ii) our PRC subsidiaries have allocated sufficient net profit to their statutory common reserve fund as described above.

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DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

UNAUDITED *PRO FORMA* ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Unaudited *Pro Forma* Financial Information in Appendix II to this prospectus for details.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and other fees incurred in connection with the Global Offering. Listing expenses to be borne by us are estimated to be approximately RMB63.9 million (HK\$72.9 million), comprising: (i) underwriting fees of RMB35.5 million (HK\$40.5 million); and (ii) non-underwriting-related expenses of RMB28.4 million (HK\$32.4 million), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB17.6 million (HK\$20.1 million); and (b) other fees and expenses of RMB10.8 million (HK\$12.3 million), assuming the Over-allotment Option is not exercised and based on the Offer Price of HK\$27.00 per Offer Share (being the mid-point of the Offer Price range), approximately RMB25.7 million (HK\$29.3 million) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB38.2 million (HK\$43.6 million) of which is expected to be deducted from equity upon the completion of the Global Offering. The listing expenses are expected to represent approximately 8.1% of the gross proceeds of the Global Offering, assuming an Offer Price of HK\$27.00 per Offer Share (being the mid-point of the indicative Offer Price range) and that the Over-allotment Option is not exercised. As of December 31, 2025, we had recognized listing expenses in relation to the Listing of RMB13.6 million to our consolidated statements of profit or loss and other comprehensive income. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end date of the period reported on in the Accountants' Report in Appendix I to this prospectus) and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For details of our future plans, see “Business—Our Strategies.”

USE OF PROCEEDS

Assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$27.00 per Share (being the mid-point of the indicative Offer Price range of HK\$24.00 to HK\$30.00), we estimate that we will receive net proceeds of approximately HK\$827.1 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- (i) Approximately 45.0% of the net proceeds, or HK\$372.2 million will be used to enhance R&D of intelligent robotic vision perception technology to achieve algorithm architecture upgrades based on AI capabilities and optimize our intelligent robotic vision perception products and intelligent robotic products, of which:
 - (a) approximately 10.0% of the net proceeds, or HK\$82.7 million will be used to upgrade technology infrastructure to achieve end-to-end integration. We plan to invest in (i) computing infrastructure to build robust foundational computational power, (ii) AI algorithm development to improve adaptability across diverse application scenarios, and (iii) recruiting 20 AI specialists, particularly experts in large-model architecture and edge computing with three to five years of experience in commercializing robotics or end-to-end bird’s eye view model projects, to strengthen R&D and foster innovation. The expected annual salary for these hires will range from RMB300,000 to RMB800,000, depending on their qualifications and expertise;
 - (b) approximately 5.0% of the net proceeds, or HK\$41.4 million will be allocated to R&D of perception sensor chips. We plan to focus on the development of sensor chips for robot vision perception;
 - (c) approximately 5.0% of the net proceeds, or HK\$41.4 million, will be used to upgrade our visual perception products. We plan to develop (i) higher-integrated all-in-one radars that combine traditional SLAM with obstacle avoidance functions, aiming to enhance sensor performance and reduce cost of sensors, and (ii) AI-based material detection sensors that overcome the limitations of traditional RGB cameras by leveraging AI technology to enable recognition of various materials;
 - (d) approximately 10.0% of the net proceeds, or HK\$82.7 million, will be used to develop new categories of visual perception product lines with a focus on advanced perception technology, including neuromorphic vision sensors, particularly event-based cameras. These cameras can mimic the operating principles of the human eye, enabling greater accuracy, smaller data volumes, faster reaction speeds and higher energy efficiency. Such features are crucial for supporting the development of intelligent robotics. In particular, these technologies provide robots with precise obstacle avoidance capabilities during high-speed movement, stable navigation in environments with significant variations in lighting conditions, and reliable grasping of rapidly moving objects. As a result, neuromorphic vision sensors represent a key

FUTURE PLANS AND USE OF PROCEEDS

perception technology for enabling the next generation of sensitive, efficient and fully intelligent robots. We plan to invest in (i) high-end R&D equipment, (ii) professional software systems, and (iii) recruitment of approximately 20 high-caliber technical talent with one to five years of experience in optical design, structural design and embedded development, as well as hands-on experience in mass production projects for the robotics industry. The expected annual salary for these hires will range from RMB250,000 to RMB600,000, depending on their qualifications and expertise;

- (e) approximately 5.0% of the net proceeds, or HK\$41.4 million, will be used to upgrade existing robot lawn mower products to enhance their technological capabilities and market competitiveness. We plan to promote the transformation of our products from offering a single grass-cutting function to a full-scenario intelligent garden maintenance system; and
 - (f) approximately 10.0% of the net proceeds, or HK\$82.7 million, will be used to develop complete robot products tailored for innovative sectors. Innovative sectors refer to types of robots that have not yet achieved large-scale commercial application. We intend to invest in robot categories in which the global market size is anticipated to exceed RMB30.0 billion by 2030, including but not limited to household embodied robots. According to CIC, the global market size for household embodied robots is expected to reach RMB45.0 billion by 2030. We plan to invest in specialized R&D equipment and core software systems to establish cross-disciplinary R&D capabilities;
- (ii) Approximately 10.0% of the net proceeds, or HK\$82.7 million will be allocated to brand building and international expansion to broaden our overseas customer base, of which:
- (a) approximately 6.0% of the net proceeds, or HK\$49.6 million, will be used to establish localized teams and channels. We plan to set up our first local team in Germany, and gradually expand to France and the UK. We plan to invest in (i) building oversea subsidiaries and localized teams, (ii) forming business collaborations with high-quality overseas distributors, (iii) expanding sales network, and (iv) enhancing after-sales service network. Distributors are expected to demonstrate significant involvement in the gardening tools industry, extensive sales teams, proven experience in multi-channel brand operations, established coverage across key local retail and online channels, and robust after-sales service capabilities. For example, our German team will serve as our sales and after-sales operations center in Germany, with core departments including sales and channel, brand marketing, and after-sales and operations support. Their functions will cover local market insights and brand building, sales and business development, logistics and warehouse management, and after-sales operations support. We expect that with our German team, we will be able to deeply engage with the German and wider European markets, accurately identify local needs, and drive the localization of our products and marketing strategies. In addition, by establishing local operations, inventory and an after-sales support team, we can respond quickly to local channel partners and end users, which will significantly strengthen channel confidence, enhance customer satisfaction and improve our brand reputation; and

FUTURE PLANS AND USE OF PROCEEDS

- (b) approximately 4.0% of the net proceeds, or HK\$33.1 million, will be used for brand operation and marketing of our robot lawn mower products. Our strategy aims to rapidly expand product visibility and customer understanding in key global markets during this early growth stage for robotic lawn mowers. We will invest in,
 - (1) targeted digital marketing campaigns in collaboration with local KOLs on major social media platforms to directly reach potential users in Europe and the United States;
 - (2) strengthening offline brand presence by participating in major industry and consumer exhibitions, establishing local product experience locations in key European and the United States markets, and holding regular in-person product demonstrations with local distributors to increase hands-on user interaction; and
 - (3) collaborating with recognized local brands and well-known figures to build local credibility and accelerate brand acceptance;
- (iii) Approximately 30.0% of the net proceeds, or HK\$248.1 million, will be allocated to the optimization of production capabilities and capacity expansion to support large-scale shipments. This is driven by our long-term strategic objectives. In the early stages of our development, we adopted a flexible “1+N” delivery model, leveraging leased facilities and third-party contract manufacturers to maintain agility in operations. As our business expands, we aim to build robust operational capabilities to enhance our overall competitiveness. By constructing our self-owned production base, we will be able to exercise full autonomy over production, streamline the introduction of automation or large-scale equipment, and mitigate risks associated with reliance on leased sites, such as lease termination or renovation restrictions. Establishing a self-owned facility also conveys our strength and long-term commitment, strengthening our brand image and reinforcing confidence among our customers, suppliers and employees;
 - (a) approximately 5.0% of the net proceeds, or HK\$41.4 million, will be used to upgrade manufacturing processes and enhance digital intelligent manufacturing capabilities. Specifically, we plan to (i) recruit process technicians, (ii) procure and develop pilot lines and digital factory software to improve workflows, optimize cost structures, strengthen quality control and (iii) refine internal supply chain management to maintain control over costs and key component quality, creating value to customers;
 - (b) approximately 18.0% of the net proceeds, or HK\$148.9 million, will be allocated to expanding manufacturing capacity. We plan to establish new intelligent production bases in the Pearl River Delta region or Yangtze River Delta region to strengthen our production capabilities, meet the growing market demand, and support the upscaling of our operations. These advanced facilities will focus on improving automation, enhancing production efficiency and maintaining high product quality to better serve our customers and further solidify our market presence. Upon completion, the new production base is expected to provide an annual production capacity of up to 16.0 million units of sensors, 3.0 million units of algorithm modules and 150,000 units of robotic lawn mowers. We expect the investment payback period for our new production base to be less than four years; and

FUTURE PLANS AND USE OF PROCEEDS

- (c) approximately 7.0% of the net proceeds, or HK\$57.9 million, will be used to upgrade production equipment. We aim to continue our self-development of high-precision automated equipment and processes across key stages or otherwise procure such equipment from third parties, such as calibration, testing and assembly, to improve production efficiency and quality control;
- (iv) Approximately 5.0% of the net proceeds, or HK\$41.4 million, will be allocated to exploring potential investments and acquisition opportunities to strengthen our technological capabilities and achieve overseas and large-scale expansion. We plan to focus primarily on minority equity investments, with the aim of securing high-quality channel resources and establishing priority strategic alliances, which also allows us to maintain flexibility and manage the risks associated with large-scale investments. We intend to assess targets based on several key criteria, including, (i) a strong offline distribution network across multiple major countries in the United States and Europe, such as exclusive distributor rights or priority shelf space with leading garden equipment dealers, a multi-layer network with over 500 retail stores or deep presence in top home improvement chains; (ii) strong product synergy with our robotic lawn mower business—for example, overlapping customers in gardening market; and (iii) a well-developed after-sales service system with at least 50 service centers, a local marketing team and proven warehousing and logistics capabilities. As of the Latest Practicable Date, we had not identified or pursued any target for acquisition. According to CIC, there are over 100 institutions and industrial companies in the market that meet our criteria as potential acquisition targets. Based on our selection criteria above, we plan to initiate our acquisition strategy in 2027. In particular, we plan to (i) conduct market research with a focus on potential target companies in 2027; (ii) initiate discussions with target companies, conduct business and legal due diligence on target companies and engage in negotiations regarding transaction frameworks with target companies in 2027; and (iii) finalize transaction frameworks, including considerations, and enter into acquisition agreements with target companies in 2028; and
- (v) Approximately 10.0% of the net proceeds or HK\$82.7 million, for working capital and general corporate purposes.

In the event that the Offer Price is set at the maximum Offer Price or the minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase or decrease by approximately HK\$95.5 million.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be: (i) HK\$143.2 million (assuming an Offer Price of HK\$30.00 per Share, being the maximum Offer Price of the indicative Offer Price range); (ii) HK\$128.9 million (assuming an Offer Price of HK\$27.00 per Share, being the mid-point of the indicative Offer Price range); and (iii) HK\$114.6 million (assuming an Offer Price of HK\$24.00 per Share, being the minimum Offer Price of the indicative Offer Price range).

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a *pro rata* basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds in accordance with the Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

Haitong International Securities Company Limited
Guotai Junan Securities (Hong Kong) Limited
China International Capital Corporation Hong Kong Securities Limited
SDIC Securities (Hong Kong) Limited
Futu Securities International (Hong Kong) Limited
Orient Securities (Hong Kong) Limited
CMBC Securities Company Limited
Yuet Sheung International Securities Limited
Goldbridge Securities Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 3,333,400 Hong Kong Offer Shares and the International Offering of initially 30,000,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in “Structure of the Global Offering” in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on April 28, 2026. Pursuant to the Hong Kong Underwriting Agreement, the 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 which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from the Domestic Unlisted Shares, on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally 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.

UNDERWRITING

Grounds for Termination

The Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), in their sole and absolute discretion, shall have the right by giving a written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if any of the following events shall occur prior to the Termination Time:

- (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, the PRC, and the United States, or any other jurisdictions relevant to the 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 infectious 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 the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange or the NASDAQ Global 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

UNDERWRITING

- (vi) other than with the prior written consent of the Sponsor-Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a group company or a director or a senior management member of the Company 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 group company or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (ix) a change or development involving a prospective change in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar, United States dollar, the Renminbi, Euro, British pound or Swiss Franc 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 RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares; or
- (x) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (xi) any non-compliance of the prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xii) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in the prospectus; or
- (xiii) any contravention by any group company or any Director of the Listing Rules or applicable laws; or
- (xiv) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the prospectus;
- (xv) any breach of any of the obligations or undertakings imposed upon the Company to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

UNDERWRITING

- (xvi) that the chairman of the Board, any executive Director or any member of senior management of the Company named in the prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (xvii) any Director or any member of senior management of the Company named in the prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators:

- (1) has or will have or is likely to have a material adverse effect; or
 - (2) has or will or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
 - (3) makes or will make or is likely to make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or
 - (4) has or will or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
- (i) any statement contained in any of the offering documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Relevant Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading in any material respect, except with respect to any underwriter’s information; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the prospectus, constitute a material omission or misstatement in any Relevant Documents; 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 the Company or the warranting shareholders in the Hong Kong Underwriting Agreement which will have a material adverse effect on the Global Offering; or

UNDERWRITING

- (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (v) any breach of any of the obligations or undertakings imposed upon the Company or any member of the warranting shareholders or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the cornerstone investment agreement; or
- (vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (vii) the Company withdraws the prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Hong Kong Public Offering) or the Global Offering; or
- (viii) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (ix) any expert (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (x) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xi) any person (other than the Joint Sponsors and the Sponsor-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
- (xii) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

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- (xiii) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC rules or any other applicable laws; that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the cornerstone investment agreement signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including the Over-allotment Option); or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, it will not and will procure that the relevant registered holder(s) will not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

- (a) in the period commencing on the date by reference to which disclosure of its shareholdings in the Company is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it is shown by this prospectus to be the beneficial owner; and
- (b) in the period of six months from the expiry of the First Six-Month Period, either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it would cease to be a controlling shareholder (as defined in the Listing Rules) of the Company or a member of a group of the controlling shareholders of the Company would cease to be a controlling shareholder (as defined in the Listing Rules).

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Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will and will procure that the relevant registered holder(s) will:

- (i) when it pledges or charges any securities of the 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)) pursuant to Note 2 to Rule 10.07 of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of securities so pledged or charged; and
- (ii) when it receives indications, either verbal or written, from the pledgee or chargee of any securities of the Company that any of the pledged or charged securities will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above by any of the Controlling Shareholders and subject to the then applicable requirements of the Listing Rules disclose such matters by way of an announcement.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by the Company

Pursuant to the Hong Kong Underwriting Agreement, except for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to any exercise of the Over-Allotment Option), the Company will not, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date hereof and ending on, and including the date falling six months after the Listing Date (the “**First Six-Month Period**”):

- (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 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 equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other equity securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (ii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iii) offer to or agree to do any of the foregoing specified in paragraphs (i), (ii) or (iii) above or announce any intention to do so,

UNDERWRITING

in each case, whether any of the transactions described in paragraphs (i), (ii) or (iii) above is to be settled by delivery of H Shares or other equity securities of the Company, in cash or otherwise (whether or not the issue of such H Shares or other securities of the Company will be completed within the First Six-Month Period).

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), the Company enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above or offers to or agrees to or contracts to or announces, or publicly discloses, any intention to, enter into any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the H Shares or other securities of the Company.

(B) Undertakings by Mr. Guo and Mr. Zhou

Pursuant to the Hong Kong Underwriting Agreement, each of Mr. Guo and Mr. Zhou jointly and severally agrees and undertakes to the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators and unless in compliance with the Listing Rules:

- (a) during the First Six-Month Period, he will not, and will procure that the relevant registered holder(s) will not:
 - (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 equity securities of the 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 equity securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other equity securities of the Company with a depositary in connection with the issue of depositary receipts; or
 - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other equity securities of the 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 equity securities, as applicable or any interest in any of the foregoing); or of the economic consequences of ownership of, any Locked-up Securities;

UNDERWRITING

(iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of H Shares or other equity securities of the Company, in cash or otherwise, and whether or not the transactions will be completed within the First Six-Month Period);

(b) during the Second Six-Month Period, he will not enter into any transaction described in paragraph (i), (ii) or (iii) above or offer to, agree to or contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a controlling shareholder of the Company or a member of a group of the controlling shareholders of the Company or would together with the other controlling Shareholder cease to be “controlling shareholders” of the Company; and

(c) at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling 12 months after the Listing Date, he will:

(i) if and when he or the relevant registered holder(s) pledges or charges any H Shares or other securities of the Company beneficially owned by him, immediately inform the Company and the Sponsor-Overall Coordinators in writing of such pledge or charge together with the number of H Shares or other securities of the Company so pledged or charged; and

(ii) if and when he or the relevant registered holder(s) receives indications, either verbal or written, from any pledgee or chargee of any H Shares that any of the pledged or charged H Shares or other securities of the Company will be disposed of, he will immediately inform the Company and the Sponsor-Overall Coordinators of such indications.

The Company undertakes to the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from Mr. Guo and Mr. Zhou, it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

Hong Kong Underwriters’ Interests in the Company

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 any member of the Group 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 any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

UNDERWRITING

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the Sponsor-Overall Coordinators, the Joint Global Coordinators and the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, 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 as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See “Structure of the Global Offering—The International Offering.”

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 5,000,000 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See “Structure of the Global Offering—Over-allotment Option.”

Commissions and Expenses

The Underwriters will receive an underwriting commission of 2.5% of the aggregate offer price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Underwriters may receive a discretionary incentive fee of up to 2.0% of the aggregate offer price of all the Offer Shares to be issued by the Company under the Global Offering (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

Assuming (i) full payment of the discretionary incentive fees; (ii) the Offer Price is HK\$24.00 per Offer Share, which is the low-end of the price range as set out in this prospectus; and (iii) the Over-allotment Option is not exercised, the fixed fees and discretionary fees payable to the Underwriters represent approximately 33.33% and 66.67%, respectively, of the aggregated fees payable to the Underwriters in connection with the Global Offering.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

UNDERWRITING

The aggregate underwriting commissions payable to the Underwriters in relation to the Global Offering (assuming an indicative Offer Price of HK\$27.00 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) will be approximately HK\$46.6 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK\$1,114 million (assuming an indicative Offer Price of HK\$27.00 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by the Company.

Indemnity

The Company has agreed to indemnify the Hong Kong Underwriters 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 the Company 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 stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, 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 our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our 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.

UNDERWRITING

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in “Structure of the Global Offering.” Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- 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 us and certain of our 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 the Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Main Board of the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued and converted as mentioned in this prospectus.

33,333,400 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of initially 3,333,400 Offer Shares (subject to reallocation) in Hong Kong as described in “—The Hong Kong Public Offering” below; and
- the International Offering of initially 30,000,000 Offer Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in “—The International Offering” 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 10% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 11.3% of the enlarged issued share capital the Company immediately following the completion of the Global Offering and the exercise of the Over-allotment Option.

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

The Company is initially offering 3,333,400 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering. 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 1.0% of the enlarged issued share capital the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities 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” below.

STRUCTURE OF THE GLOBAL OFFERING

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 equally into two pools: pool A and pool B, with any odd board lots being allocated to pool A. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to 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 SFC transaction levy, the AFRC 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 (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,666,600 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinators and the Joint Global Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the

STRUCTURE OF THE GLOBAL OFFERING

number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,666,600 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 5,000,000 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) and the final Offer Price should be fixed at the lower end of the indicative Offer Price range (that is, HK\$24.00 per Offer Share) stated in this prospectus, in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. 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 application channels), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$6,060.51 for one board lot of 200 Offer Shares. If the Offer Price, as finally determined in the manner described in “—Pricing and Allocation” below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in “How to Apply for Hong Kong Offer Shares.”

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an initial offering of 30,000,000 Offer Shares offered by the Company (subject to reallocation and the Over-allotment Option), representing approximately 90% of the total number of Offer Shares initially available under the Global Offering. 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 9.0% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

STRUCTURE OF THE GLOBAL OFFERING

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States 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 subsection headed “Pricing and Allocation” 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 the Group and the Shareholders as a whole.

The Sponsor-Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinators so as to allow them 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 or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in “—The Hong Kong Public Offering—Reallocation” above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 5,000,000 H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.48% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STRUCTURE OF THE GLOBAL OFFERING

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in clauses (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Friday, June 5, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

STRUCTURE OF THE GLOBAL OFFERING

- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 5,000,000 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with cornerstone investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements relate only to the delay in the delivery of the Offer Shares to cornerstone investors and the consideration for the Offer Shares allocated to cornerstone investors will be settled before the Listing Date.

The Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Thursday, May 7, 2026, by agreement between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$30.00 per Offer Share and is expected to be not less than HK\$24.00 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$6,060.51 for one board lot of 200 Offer Shares. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem 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 the Company, reduce the number of Offer Shares offered below and/or the Offer Price range as 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, we 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 the Company and the Stock Exchange at www.ldrobot.com and www.hkexnews.hk, respectively, notices of the reduction. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

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 and/or Offer Price range 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 and/or the Offer Price, if agreed upon by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The final pricing of the Offer Shares, 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 and is subject to, among other things, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in “Underwriting.”

STRUCTURE OF THE GLOBAL OFFERING

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus, on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- the pricing of the Offer Shares having been agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company;
- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- 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) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company by 12:00 noon on Thursday, May 7, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the 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 the Company on the websites of the Company and the Stock Exchange at www.ldrobot.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 “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 Monday, May 11, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

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 Monday, May 11, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, May 11, 2026.

The H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares will be 1236.

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.ldrobot.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the HK eIPO White Form service only*).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- 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 Thursday, April 30, 2026 and end at 12:00 noon on Wednesday, May 6, 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 Thursday, April 30, 2026 to 11:30 a.m. on Wednesday, May 6, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, May 6, 2026, Hong Kong time.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Application Channel	Platform	Target Investors	Application 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.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under 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 authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of 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 authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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	For Corporate Applicants
<ul style="list-style-type: none">■ Full name(s)² as shown on your identity document■ Identity document's issuing country or jurisdiction■ Identity document type, with order of priority:<ul style="list-style-type: none">i. HKID card; orii. National identification document; oriii. Passport; and■ Identity document number	<ul style="list-style-type: none">■ Full name(s)² as shown on your identity document■ Identity document's issuing country or jurisdiction■ Identity document type, with order of priority:<ul style="list-style-type: none">i. LEI registration document; orii. Certificate of incorporation; oriii. Business registration certificate; oriv. Other equivalent document; and■ Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$30.00 per Offer 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. For those applying through the HKSCC EIPO channel, and making an application under a power of attorney, we and the Sponsor-Overall Coordinators, 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.

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 authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
200	6,060.51	4,000	121,210.20	60,000	1,818,153.00	800,000	24,242,040.00
400	12,121.02	5,000	151,512.76	70,000	2,121,178.50	900,000	27,272,295.00
600	18,181.54	6,000	181,815.30	80,000	2,424,204.00	1,000,000	30,302,550.00
800	24,242.05	7,000	212,117.86	90,000	2,727,229.50	1,200,000	36,363,060.00
1,000	30,302.56	8,000	242,420.40	100,000	3,030,255.00	1,400,000	42,423,570.00
1,200	36,363.05	9,000	272,722.96	200,000	6,060,510.00	1,666,600 ⁽¹⁾	50,502,229.84
1,400	42,423.56	10,000	303,025.50	300,000	9,090,765.00		
1,600	48,484.08	20,000	606,051.00	400,000	12,121,020.00		
1,800	54,544.59	30,000	909,076.50	500,000	15,151,275.00		
2,000	60,605.10	40,000	1,212,102.00	600,000	18,181,530.00		
3,000	90,907.66	50,000	1,515,127.50	700,000	21,211,785.00		

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

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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.

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 authorize us and/or the Sponsor-Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **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⁽²⁾, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

² As defined in the Prospectus, Relevant Persons would include the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company’s respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— *G. Personal Data* — 3. *Purposes* and 4. *Transfer of personal data*” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— *B. Publication of Results*” in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed “— *C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*” in this section;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Sponsor-Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC or the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
<p>Website From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function</p> <p>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.</p> <p>The Stock Exchange’s website at www.hkexnews.hk and our website at www.ldrobot.com which will provide links to the above mentioned websites of the H Share Registrar.</p>	<p>24 hours, from 11:00 p.m. on Friday, May 8, 2026 to 12:00 midnight on Thursday, May 14, 2026 (Hong Kong time)</p> <p>No later than 11:00 p.m. on Friday, May 8, 2026 (Hong Kong time).</p>
Telephone +852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Monday, May 11, 2026 to Thursday, May 14, 2026 (Hong Kong time) on a business day

HOW TO APPLY FOR HONG KONG OFFER SHARES

For those applying through the HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, May 7, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, May 7, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the 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.ldrobot.com by no later than 11:00 p.m. on Friday, May 8, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the 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” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sponsor-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.

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 Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Monday, May 11, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
Despatch/collection of H Share certificate³		
For application of 1,000,000 Hong Kong Offer Shares or more	<p>Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong</p> <p>Time: 9:00 a.m. to 1:00 p.m. on Monday, May 11, 2026 (Hong Kong time)</p> <p>If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.</p> <p>Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p>Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk</p>	<p>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</p> <p>No action by you is required</p>

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 Friday, May 8, 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. You may refer to "— E. Bad Weather Arrangements" in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

	HK eIPO White Form service	HKSCC EIPO channel
For application of less than 1,000,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
Date: Friday, May 8, 2026		
Refund mechanism for surplus application monies paid by you		
Date	Monday, May 11, 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. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, May 6, 2026 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions

(collectively, “**Bad Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, May 6, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Bad Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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.ldrobot.com of the revised timetable.

If a **Bad Weather Signal** is hoisted on Friday, May 8, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Monday, May 11, 2026.

If a **Bad Weather Signal** is hoisted on Friday, May 8, 2026, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Bad Weather Signal** is lowered or canceled (e.g. in the afternoon of Friday, May 8, 2026 or on Monday, May 11, 2026).

If a **Bad Weather Signal** is hoisted on Monday, May 11, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the **Bad Weather Signal** is lowered or canceled (e.g. in the afternoon of Monday, May 11, 2026 or on Tuesday, May 12, 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 SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the 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 Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second Business 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 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the 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 Shares;

HOW TO APPLY FOR HONG KONG OFFER 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 Shares and/or regulators and/or any other purposes to which applicants and holders of the 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 advisors, 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 fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN LDROBOT CO., LTD, HAITONG INTERNATIONAL CAPITAL LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of SHENZHEN LDROBOT CO., LTD (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-62, which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated 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-62 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 April 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 Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
30 April 2026

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	5	276,562	467,345	747,773
Cost of sales		(205,453)	(376,028)	(555,828)
Gross profit		71,109	91,317	191,945
Other income and gains	6	21,922	20,258	21,442
Selling and marketing expenses		(21,272)	(31,427)	(81,201)
Administrative expenses		(40,831)	(36,925)	(69,458)
Research and development expenses	7	(95,940)	(94,857)	(121,121)
Impairment losses on financial assets, net	7	(2,402)	(4,312)	(2,177)
Other expenses		(143)	(68)	(1,587)
Finance costs	8	(934)	(469)	(344)
LOSS BEFORE TAX		(68,491)	(56,483)	(62,501)
Income tax expense	11	—	—	—
LOSS FOR THE YEAR	13	(68,491)	(56,483)	(62,501)
Attributable to:				
Owners of the parent		(68,491)	(56,483)	(62,501)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	13	(0.23)	(0.19)	(0.21)
LOSS FOR THE YEAR		(68,491)	(56,483)	(62,501)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		—	(45)	225
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		—	(45)	225
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		—	(45)	225
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(68,491)	(56,528)	(62,276)
Attributable to:				
Owners of the parent		(68,491)	(56,528)	(62,276)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	26,790	30,058	29,626
Other intangible assets	15	848	749	2,561
Right-of-use assets	16	12,306	7,827	12,124
Prepayments, other receivables and other assets	18	158,818	114,974	5,987
Time deposits	22	–	15,184	15,574
Total non-current assets		198,762	168,792	65,872
CURRENT ASSETS				
Inventories	20	31,713	44,875	97,384
Trade and bills receivables	21	115,531	160,335	154,318
Debt investments at fair value through other comprehensive income	23	7,238	7,289	68,449
Prepayments, other receivables and other assets	18	113,179	186,330	96,599
Financial assets at fair value through profit or loss (“FVTPL”)	19	106,136	10,073	20,012
Restricted bank deposits	22	–	28,000	52,982
Cash and cash equivalents	22	27,585	46,950	119,382
Total current assets		401,382	483,852	609,126
CURRENT LIABILITIES				
Trade and bills payables	24	96,098	192,855	223,389
Contract liabilities	26	5,376	2,225	9,912
Other payables and accruals	25	30,226	38,408	57,140
Lease liabilities	16	6,065	6,606	4,569
Provisions	27	1,378	1,877	2,861
Total current liabilities		139,143	241,971	297,871
NET CURRENT ASSETS				
		262,239	241,881	311,255
TOTAL ASSETS LESS CURRENT LIABILITIES				
		461,001	410,673	377,127
NON-CURRENT LIABILITIES				
Other payables and accruals	25	1,424	1,113	994
Lease liabilities	16	7,307	2,010	8,091
Total non-current liabilities		8,731	3,123	9,085
Net assets				
		452,270	407,550	368,042
EQUITY				
Equity attributable to owners of the parent				
Share capital	28	30,000	30,000	30,000
Reserves	29	422,270	377,550	338,042
Total equity		452,270	407,550	368,042

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 30)		
As at 1 January 2023	30,000	534,213	9,424	(65,591)	508,046
Loss for the year	—	—	—	(68,491)	(68,491)
Total comprehensive loss for the year	—	—	—	(68,491)	(68,491)
Share-based payments (note 30)	—	—	12,715	—	12,715
As at 31 December 2023	<u>30,000</u>	<u>534,213*</u>	<u>22,139*</u>	<u>(134,082)*</u>	<u>452,270</u>

Year ended 31 December 2024

	Attributable to owners of the parent					
	Share capital	Capital reserve	Exchange fluctuation reserve	Share-based payment reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 29)	(note 30)		
As at 1 January 2024	30,000	534,213	—	22,139	(134,082)	452,270
Loss for the year	—	—	—	—	(56,483)	(56,483)
Exchange differences on translation of foreign operations	—	—	(45)	—	—	(45)
Total comprehensive loss for the year	—	—	(45)	—	(56,483)	(56,528)
Share-based payments (note 30)	—	—	—	11,808	—	11,808
As at 31 December 2024	<u>30,000</u>	<u>534,213*</u>	<u>(45)*</u>	<u>33,947*</u>	<u>(190,565)*</u>	<u>407,550</u>

Year ended 31 December 2025

	Attributable to owners of the parent					Total equity
	Share capital	Capital reserve	Exchange Fluctuation reserve	Share-based payment reserve	Accumulated losses	
	<i>RMB'000</i> (note 28)	<i>RMB'000</i> (note 29)	<i>RMB'000</i> (note 29)	<i>RMB'000</i> (note 30)	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	30,000	534,213	(45)	33,947	(190,565)	407,550
Loss for the year.	–	–	–	–	(62,501)	(62,501)
Exchange differences on translation of foreign operations	–	–	225	–	–	225
Total comprehensive loss for the year.	–	–	225	–	(62,501)	(62,276)
Share-based payments (note 30)	–	–	–	22,768	–	22,768
As at 31 December 2025.	<u>30,000</u>	<u>534,213*</u>	<u>180*</u>	<u>56,715*</u>	<u>(253,066)*</u>	<u>368,042</u>

* The reserve accounts comprise the consolidated reserves of RMB422,270,000, RMB377,550,000 and RMB338,042,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(68,491)	(56,483)	(62,501)
Adjustment for:				
Finance costs	8	934	469	344
Bank interest income	6	(1,623)	(624)	(2,224)
Investment income from certificate of deposits	6	(7,016)	(7,257)	(4,222)
Depreciation of property, plant and equipment	7	5,136	6,737	8,792
Depreciation of right-of-use assets	7	5,642	6,692	7,478
Amortisation of other intangible assets .	7	166	157	682
Write-down of inventories to net realisable value	7	2,249	1,248	1,566
(Reversal of impairment)/impairment of financial assets, net	7	2,402	4,312	2,177
Loss on disposal of property, plant and equipment, net	7	62	16	3
Gain on disposal of items of right of use assets	6	—	—	(152)
Fair value gains on financial assets at fair value through profit or loss	6	(135)	(73)	(12)
Foreign exchange (gains)/losses	7	(76)	(3)	1,326
Investment income from financial assets at fair value through profit or loss . . .	6	(2,362)	(1,804)	(159)
Share-based payment compensation	30	12,715	11,808	22,768
		(50,397)	(34,805)	(24,134)
Decrease/(increase) in inventories		8,068	(14,410)	(54,075)
(Increase)/decrease in trade and bills receivables		(57,443)	(38,224)	7,389
Increase in debt investments at fair value through other comprehensive income . . .		(6,130)	(51)	(61,160)
(Increase)/decrease in prepayments, other receivables and other assets		(7,761)	(6,339)	(25,318)

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Increase in restricted bank deposits		–	(28,000)	(24,982)
Increase in trade and bills payables		61,839	86,248	27,408
(Decrease)/increase in other payables and accruals		(1,690)	9,187	8,879
Increase/(decrease) in contract liabilities . .		<u>2,743</u>	<u>(3,150)</u>	<u>7,687</u>
Cash used in operations		(50,771)	(29,544)	(138,306)
Interests received		<u>1,623</u>	<u>440</u>	<u>1,833</u>
Net cash flows used in operating activities		<u>(49,148)</u>	<u>(29,104)</u>	<u>(136,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(5,742)	(11,096)	(7,910)
Purchase of intangible assets		(268)	(58)	(2,494)
Purchase of certificates of deposits		(140,000)	(155,199)	–
Proceeds from redemption of certificates of deposits		40,423	139,104	236,138
Purchase of wealth management products .		(396,000)	(211,000)	(180,000)
Proceeds from redemption of wealth management products		342,481	308,940	170,232
Proceeds from disposal of property, plant and equipment		78	90	4,184
Purchase of time deposits		–	(15,000)	(910)
Proceeds from time deposits		<u>–</u>	<u>–</u>	<u>910</u>
Net cash flows (used in)/from investing activities		<u>(159,028)</u>	<u>55,781</u>	<u>220,150</u>

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank borrowings		20,000	—	—
Repayment of bank loans		(20,000)	—	—
Principal portion of lease payments	16	(5,685)	(6,969)	(7,579)
Interest paid	16	(934)	(469)	(344)
Payment for listing expense		—	—	(2,584)
Net cash flows used in financing activities		(6,619)	(7,438)	(10,507)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
		(214,795)	19,239	73,170
Cash and cash equivalents at beginning of year				
		242,356	27,585	46,950
Effect of foreign exchange rate changes, net				
		24	126	(738)
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		27,585	46,950	119,382
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents as stated in the consolidated statements of financial position				
	22	27,585	46,950	119,382

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	4,617	5,166	8,847
Other intangible assets	15	676	623	1,489
Right-of-use assets	16	4,266	1,982	8,263
Investments in subsidiaries	17	11,110	18,487	18,784
Prepayments, other receivables and other assets	18	157,810	113,148	3,196
Time deposits	22	—	15,184	15,574
Total non-current assets		178,479	154,590	56,153
CURRENT ASSETS				
Inventories	20	13,173	19,416	17,741
Trade and bills receivables	21	136,055	200,865	257,007
Debt investments at fair value through other comprehensive income	23	4,988	5,095	56,811
Prepayments, other receivables and other assets	18	143,134	196,407	82,093
Financial assets at FVTPL	19	106,136	10,073	20,012
Restricted bank deposits	22	—	28,000	51,064
Cash and cash equivalents	22	13,835	27,173	86,074
Total current assets		417,321	487,029	570,802
CURRENT LIABILITIES				
Trade and bills payables	24	69,470	157,322	143,244
Contract liabilities	26	5,376	2,161	7,821
Other payables and accruals	25	37,584	43,143	57,876
Lease liabilities	16	2,511	1,594	3,014
Provisions	27	1,378	1,877	2,253
Total current liabilities		116,319	206,097	214,208
NET CURRENT ASSETS		301,002	280,932	356,594
TOTAL ASSETS LESS CURRENT LIABILITIES				
		479,481	435,522	412,747
NON-CURRENT LIABILITIES				
Other payables and accruals	25	1,424	1,113	994
Lease liabilities	16	2,197	607	5,394
Total non-current liabilities		3,621	1,720	6,388
NET ASSETS		475,860	433,802	406,359
EQUITY				
Share capital	28	30,000	30,000	30,000
Reserves	29	445,860	403,802	376,359
Total equity		475,860	433,802	406,359

NOTES TO FINANCIAL STATEMENTS

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

SHENZHEN LDROBOT CO., LTD (the “Company”) was incorporated in Chinese Mainland on 17 November 2017 as a limited liability company under the PRC laws and converted into a joint stock company with limited liability in June 2022. The registered office of the Company is located at 16/F, Tower A, Building 6, International Innovation Valley, Xili Subdistrict, Nanshan District, Shenzhen, Guangdong Province.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “Group”) were mainly engaged in the design, development and manufacture of intelligent robots.

In the opinion of the directors, Mr. Zhou, Mr. Guo (by virtue of the Acting in Concert Agreement among Mr. Zhou and Mr. Guo), Ms. Wang (being Mr. Zhou’s spouse), and Photon Space (whose general partner is Mr. Zhou and is deemed to be controlled by Mr. Zhou), are collectively considered as the controlling shareholders of the Group as of the end of Relevant Periods.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), particulars of the principal subsidiary are set out below:

Name	Note	Place and date of incorporation and place of operations	Registered share capital	Percentage of equity attributable to the Company	Principal activities
				Direct	
Guangdong Ledong Electronics Technology Co., Ltd* 廣東樂動電子科技有 限公司	(a)	Chinese Mainland 9 July 2021	RMB10,000,000	100%	Manufacture of intelligent robots

Note:

- (a) The statutory financial statements of the entity for the years ended 31 December 2023, 2024 and 2025, prepared in accordance with Accounting Standards for Business Enterprises — Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions (“PRC GAAP”) issued by the Ministry of Finance, were audited by Shenzhen Great Wall Certified Public Accountants Co., Ltd. (深圳市長城會計師事務所有限公司), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). All HKFRS 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 at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial statements of the company and its subsidiaries (collectively referred to as “the Group”) 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, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are 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.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS 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 HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contract Referencing Nature-dependent Electricity¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 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 above HKFRS Accounting Standards are not expected to have any significant impact on the Group's financial statements except for HKFRS18. Further information about the HKFRS 18 is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on the preliminary assessment made by the directors, the adoption of HKFRS 18 is not expected to have any significant impact on the financial performance and financial position of the Group, but has impact on the presentation and disclosure of the Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and other 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 of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) and 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 estimated useful lives and residual values are as follows:

	Estimated useful lives	Residual value
Leasehold improvements	Shorter of lease term or estimated useful life	–
Machinery and equipment	3 to 10 years	5%
Office equipment and fixtures	3 to 5 years	5%
Motor vehicles	4 years	5%

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.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently 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.

Patent

Patent is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

Buildings	2 to 5 years
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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 the 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 buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills 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 and bills 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 HKFRS 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 the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- (1) the rights to receive cash flows from the asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, 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 a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. Debt investments graded in the top investment categories (Very Good and Good) as they are large state-owned commercial banks and large listed commercial banks, and they are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. The credit risk of debt investments is immaterial.

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 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 bills payables, other payables and accruals, and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and other payables and accruals, and loans and 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, and only 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. In the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

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.

The Group provides for warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Income tax and deferred tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country 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 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.

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.

Sales of products

Revenue from the sale of products is recognised at the point in time when control of the product is transferred to the customer, generally on delivery or acceptance of the products as agreed in the sales contracts.

For some contracts with customers, the Group receives a non-recurring engineering ("NRE") payment before the production of goods for the customers. Such NRE payment will be refunded to the customers only if the production and sales volume over a specified period has achieved the agreed target. The NRE payment is initially recognised as other payables of the Group and transferred to contract liabilities when it is almost certain that the target will not be met. It will be recognised as revenue upon the completion of the contract obligations and when it is not refundable.

The Group also sells its robot lawn mowers directly to end customers via e-commerce platforms. Revenue is recognised at a point in time when the goods are delivered and accepted by the end customers. The Group estimates the time of acceptance by the end customers based on the actual delivery time, the historical experience on transportation time required, and the time when online payment is completed.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfill 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. Employees (including directors) of the Group receive remuneration and rewards in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using recent transaction approach and discounted cash flow model, further details of which are given in note 30 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until

the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an option 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.

Other 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. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

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

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. 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.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates or the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

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.

Development expenses

Expenses incurred on each pipeline project 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 amounts of development costs to be capitalised requires the use of judgements and estimation.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

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. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each of the Relevant Periods and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of robots' industry. Management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each of the Relevant Periods. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories 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.

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 21 to the Historical Financial Information.

Leases — estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information*(a) Revenue from external customers*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	275,850	448,781	610,275
Others	712	18,564	137,498
Total	<u>276,562</u>	<u>467,345</u>	<u>747,773</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Most of the Group’s non-current assets are located in Chinese Mainland. Thus, no geographic information is presented.

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group’s revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer 1	44,488	71,434	84,498
Customer 2	N/A*	66,256	N/A*
Customer 3	33,596	57,275	N/A*
Customer 4	45,604	N/A*	N/A*
Customer 5	<u>37,882</u>	<u>N/A*</u>	<u>119,340</u>

* Less than 10% of the Group’s revenue.

5. REVENUE

An analysis of revenue is as follows:

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods			
Sensors	167,297	340,572	434,683
Algorithm modules	106,858	98,706	171,769
Robot lawn mowers	63	23,272	136,896
Others*	2,344	4,795	4,425
Total	<u>276,562</u>	<u>467,345</u>	<u>747,773</u>
Timing of revenue recognition			
Goods transferred at a point in time	<u>276,562</u>	<u>467,345</u>	<u>747,773</u>

* Others primarily include materials and accessories, and commercial cleaning robots.

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 and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of goods	<u>2,190</u>	<u>4,667</u>	<u>913</u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of products

The performance obligation is satisfied upon delivery or acceptance of products and payment is generally due within 2 months from delivery, where payment in advance is required for certain products.

For the contracts with customers, they are rendered 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.

6. 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
<u>Other income</u>			
Government grants*.	8,046	10,260	14,393
Bank interest income	1,623	624	2,224

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investment income from certificates of deposits .	7,016	7,257	4,222
Investment income from financial assets at fair value through profit or loss	2,362	1,804	159
Penalty income	2,297	—	—
Others	367	237	280
	21,711	20,182	21,278
<u>Gains</u>			
Foreign exchange gains	76	3	—
Gain on disposal of items of right of use assets .	—	—	152
Fair value gains on financial assets at fair value through profit or loss	135	73	12
	211	76	164
Total other income and gains	21,922	20,258	21,442

* Certain government grants have been received related to the Group's day-to-day activities. Government grants included value added tax ("VAT") refund and compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies relating to these grants.

7. LOSS BEFORE TAX

The Group's 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*		205,453	376,028	555,828
Depreciation of property, plant and equipment**	14	5,136	6,737	8,792
Depreciation of right-of-use assets**	16(a)	5,642	6,692	7,478
Amortisation of other intangible assets**	15	166	157	682
Research and development expenses		95,940	94,857	121,121
Impairment of trade and bills receivables	21	2,257	3,930	1,752
Impairment of other receivables and deposits .		145	382	425
Total impairment losses on financial assets, net		2,402	4,312	2,177
Lease payments not included in the measurement of lease liabilities	16(c)	850	565	777
Listing expenses		—	—	13,644
Auditor's remuneration		18	19	24
Foreign exchange (gains)/losses***	6	(76)	(3)	1,326
Write-down of inventories to net realisable value*		2,249	1,248	1,566
Gain on disposal of items of right of use assets***		—	—	(152)
Loss on disposal of property, plant and equipment***		62	16	3

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes			
Employee benefit expenses (excluding directors' and chief executive's remuneration):			
– Salaries, allowances and benefits in kind	127,524	134,448	176,901
– Pension scheme contributions	4,470	6,041	9,987
– Equity-settled share-based payment expense	10,612	9,705	20,302
	<u>142,606</u>	<u>150,194</u>	<u>207,190</u>

* The amounts disclosed for cost of inventories sold included the write-down of inventories to net realisable value.

** 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 marketing expenses”, “Administrative expenses”, and “Research and development expenses” in profit or loss.

*** The amount is included in “Other expenses” or “Other income and gains” in profit or loss.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expenses on:			
Bank borrowings	305	–	–
Lease liabilities	629	469	344
Total	<u>934</u>	<u>469</u>	<u>344</u>

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	120	120	234
Other emoluments:			
Salaries, allowances and benefits in kind	2,231	2,405	2,444
Performance related bonuses	1,310	1,760	2,148
Equity-settled share-based payment expenses	2,103	2,103	2,466
Pension scheme contributions	30	36	45
Total	<u>5,794</u>	<u>6,424</u>	<u>7,337</u>

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Zhang Haichun (Note (vi))	60	60	25
Mr. Yang Gaoyu (Note (vii))	25	—	—
Mr. Cheng Hao (Note (v))	—	—	62
Ms. Yan Hongyu (Note (vii))	35	60	85
Mr. Hong Kam Le (Note (vi))	—	—	62
Total	<u>120</u>	<u>120</u>	<u>234</u>

(b) Directors and the chief executive

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:					
Mr. Zhou Wei (Note (i))	762	50	—	10	822
Mr. Guo Gaihua (Note (ii)) . .	737	300	—	10	1,047
Mr. Zhang Jun (Note (iii)) . . .	<u>732</u>	<u>960</u>	<u>2,103</u>	<u>10</u>	<u>3,805</u>
	2,231	1,310	2,103	30	5,674
Non-executive director:					
Mr. Huang Xi (Note (iv)) . . .	—	—	—	—	—
Total	<u>2,231</u>	<u>1,310</u>	<u>2,103</u>	<u>30</u>	<u>5,674</u>

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:					
Mr. Zhou Wei (Note (i))	770	400	—	12	1,182
Mr. Guo Gaihua (Note (ii)) . .	850	400	—	12	1,262
Mr. Zhang Jun (Note (iii)) . . .	<u>785</u>	<u>960</u>	<u>2,103</u>	<u>12</u>	<u>3,860</u>
	2,405	1,760	2,103	36	6,304
Non-executive director:					
Mr. Huang Xi (Note (iv)) . . .	—	—	—	—	—
Total	<u>2,405</u>	<u>1,760</u>	<u>2,103</u>	<u>36</u>	<u>6,304</u>

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors and chief executive:					
Mr. Zhou Wei (<i>Note (i)</i>)	817	488	–	15	1,320
Mr. Guo Gaihua (<i>Note (ii)</i>) . .	795	488	–	15	1,298
Mr. Zhang Jun (<i>Note (iii)</i>) . . .	832	1,172	2,466	15	4,485
	<u>2,444</u>	<u>2,148</u>	<u>2,466</u>	<u>45</u>	<u>7,103</u>
Non-executive director:					
Mr. Huang Xi (<i>Note (iv)</i>) . . .	–	–	–	–	–
Total	<u>2,444</u>	<u>2,148</u>	<u>2,466</u>	<u>45</u>	<u>7,103</u>

Notes:

- (i) Mr. Zhou Wei was appointed as the chairman of the board of directors of the Company with effect from May 2022.
- (ii) Mr. Guo Gaihua was appointed as a director and the chief executive officer of the Company with effect from May 2022.
- (iii) Mr. Zhang Jun was appointed as a director and was re-designated as the chief operating officer of the Company with effect from May 2022.
- (iv) Mr. Huang Xi was appointed as a non-executive director of the Company with effect from May 2022.
- (v) Mr. Cheng Hao was appointed as independent director of the Company with effect from May 2022.
- (vi) Mr. Zhang Haichun was appointed as independent director of the Company with effect from May 2022 until May 2025. Mr. Hong Kam Le was appointed as an independent director of the Company with effect from May 2025.
- (vii) Mr. Yang Gaoyu was appointed as an independent director of the Company with effect from May 2022 until June 2023. Ms. Yan Hongyu was appointed as an independent director of the Company with effect from June 2023.

During the Relevant Periods shares were granted to certain directors in respect to their services rendering to the Group, further details of which are set out in note 30 to the Historical Financial Information. The fair value of such granted shares, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above directors' remuneration disclosures.

Save for disclosed above, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

As the Company had dissolved the supervisory committee from May 2025, the supervisors' remuneration was not included in the above disclosures.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included 1, 2 and 1 directors, respectively, details of whose remuneration are set out in note 9 to the Historical Financial Information. Details of the remuneration of the remaining 4, 3 and 4 highest paid employees 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	2,540	2,726	3,474
Performance related bonuses	742	873	1,447
Equity-settled share-based payment expenses . . .	8,411	1,877	1,894
Pension scheme contributions	42	35	59
Total	<u>11,735</u>	<u>5,511</u>	<u>6,874</u>

The number of non-director, non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Number of employees			
Below HK\$1,000,000	—	—	—
HK1,000,001 to HK2,000,000	2	2	3
HK2,000,001 to HK3,000,000	—	—	1
HK3,000,001 to HK4,000,000	1	1	—
Over HK4,000,001	1	—	—
Total	<u>4</u>	<u>3</u>	<u>4</u>

During the Relevant Periods, share awards were granted to certain highest paid employees in respect of their services and contributions 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 recognised in profit or loss immediately upon the date of grant or over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above highest paid employees' remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits, in accordance with the PRC Income Tax Law and the respective regulations which were approved and became effective on 1 January 2008.

The Company was qualified as high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during the Relevant Periods.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, while the subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of the subsidiary was taxed at 8.25% and the remaining assessable profits are taxed at 16.5% during each of the Relevant Periods.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(68,491)	(56,483)	(62,501)
Tax at the statutory tax rate of 25%	(17,123)	(14,121)	(15,625)
Effect of different tax rates enacted by local authorities	6,353	5,453	6,333
Additional deduction for eligible research and development expenses	(14,275)	(13,023)	(16,566)
Expenses not deductible for tax	1,977	1,850	3,884
Deductible temporary differences not recognised	314	548	533
Tax losses not recognised	22,754	19,293	21,441
Total	<u>—</u>	<u>—</u>	<u>—</u>

According to the PRC Corporate Income Tax regulations, the Company and Guangdong Ledong Electronics Technology Co., Ltd, a subsidiary of the Group, are entitled to additional deduction of qualified research and development expenses from the taxable income. The percentage of additional deduction percentage was 75% from 1 January 2022 to 30 September 2022, and increased to 100% from 1 October 2022.

The Group has accumulated tax losses in Chinese Mainland of RMB344,144,000 RMB471,895,000 and RMB608,837,000 as at 31 December 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits of the companies located in Chinese Mainland in which the tax losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

12. DIVIDEND

No dividend has been paid or declared by the Company during the Relevant Periods.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the Relevant Periods attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the Relevant Periods. The weighted average number of ordinary shares in issue for 2022 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 1:17.48 as upon transformation into a joint stock company in June 2022.

No adjustment has been made to the basic 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 and diluted loss per share is based on:

	Year ended 31 December		
	2023	2024	2025
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000)	(68,491)	(56,483)	(62,501)
Weighted average number of ordinary shares in issue during the year, used in the basic loss per share calculation ('000)*	300,000	300,000	300,000

* The weighted average number of ordinary shares in issue used in the basic loss per share calculation have been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis which shall take effect immediately before the Listing.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	Motor vehicles	Office equipment and fixtures	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
At 1 January 2023:						
Cost	20,759	124	3,983	7,734	611	33,211
Accumulated depreciation	(1,979)	(15)	(1,654)	(3,717)	—	(7,365)
Net carrying amount . .	18,780	109	2,329	4,017	611	25,846
At 1 January 2023, net of accumulated depreciation	18,780	109	2,329	4,017	611	25,846
Additions	5,163	—	352	94	611	6,220
Depreciation provided during the year	(2,791)	(30)	(1,006)	(1,309)	—	(5,136)
Disposals	—	—	(140)	—	—	(140)
At 31 December 2023, net of accumulated depreciation	21,152	79	1,535	2,802	1,222	26,790
At 31 December 2023:						
Cost	25,922	124	4,195	7,828	1,222	39,291
Accumulated depreciation	(4,770)	(45)	(2,660)	(5,026)	—	(12,501)
Net carrying amount . .	21,152	79	1,535	2,802	1,222	26,790
	Machinery and equipment	Motor vehicles	Office equipment and fixtures	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
At 1 January 2024:						
Cost	25,922	124	4,195	7,828	1,222	39,291
Accumulated depreciation	(4,770)	(45)	(2,660)	(5,026)	—	(12,501)
Net carrying amount . .	21,152	79	1,535	2,802	1,222	26,790
At 1 January 2024, net of accumulated depreciation	21,152	79	1,535	2,802	1,222	26,790
Additions	7,132	—	2,009	971	—	10,112
Transfers	1,222	—	—	—	(1,222)	—
Depreciation provided during the year	(3,966)	(30)	(1,028)	(1,713)	—	(6,737)
Disposals	—	—	(107)	—	—	(107)
At 31 December 2024, net of accumulated depreciation	25,540	49	2,409	2,060	—	30,058

	Machinery and equipment	Motor vehicles	Office equipment and fixtures	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024:						
Cost	34,276	124	6,097	8,799	–	49,296
Accumulated depreciation	(8,736)	(75)	(3,688)	(6,739)	–	(19,238)
Net carrying amount . .	<u>25,540</u>	<u>49</u>	<u>2,409</u>	<u>2,060</u>	<u>–</u>	<u>30,058</u>

	Machinery and equipment	Motor vehicles	Office equipment and fixtures	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
At 1 January 2025:						
Cost	34,276	124	6,097	8,799	–	49,296
Accumulated depreciation	(8,736)	(75)	(3,688)	(6,739)	–	(19,238)
Net carrying amount . .	<u>25,540</u>	<u>49</u>	<u>2,409</u>	<u>2,060</u>	<u>–</u>	<u>30,058</u>
At 1 January 2025, net of accumulated depreciation	25,540	49	2,409	2,060	–	30,058
Additions	10,439	–	2,791	61	792	14,083
Transfers	–	–	–	704	(704)	–
Depreciation provided during the year	(5,461)	(30)	(1,350)	(1,951)	–	(8,792)
Transfer to assets classified as held for sale	(5,719)	–	–	–	–	(5,719)
Disposals	<u>–</u>	<u>–</u>	<u>(4)</u>	<u>–</u>	<u>–</u>	<u>(4)</u>
At 31 December 2025, net of accumulated depreciation	<u>24,799</u>	<u>19</u>	<u>3,846</u>	<u>874</u>	<u>88</u>	<u>29,626</u>
At 31 December 2025:						
Cost	38,996	124	8,884	9,564	88	57,656
Accumulated depreciation	(14,197)	(105)	(5,038)	(8,690)	–	(28,030)
Net carrying amount . .	<u>24,799</u>	<u>19</u>	<u>3,846</u>	<u>874</u>	<u>88</u>	<u>29,626</u>

The Company

	Machinery and equipment	Office equipment and fixtures	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
At 1 January 2023:				
Cost	6,083	3,275	2,063	11,421
Accumulated depreciation	(975)	(1,546)	(768)	(3,289)
Net carrying amount	<u>5,108</u>	<u>1,729</u>	<u>1,295</u>	<u>8,132</u>
At 1 January 2023, net of accumulated depreciation	5,108	1,729	1,295	8,132
Additions	1,914	376	94	2,384

	Machinery and equipment	Office equipment and fixtures	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation provided during the year	(230)	(825)	(492)	(1,547)
Disposals	(4,212)	(140)	—	(4,352)
At 31 December 2023, net of accumulated depreciation	2,580	1,140	897	4,617
At 31 December 2023:				
Cost	3,785	3,511	2,157	9,453
Accumulated depreciation	(1,205)	(2,371)	(1,260)	(4,836)
Net carrying amount	2,580	1,140	897	4,617

	Machinery and equipment	Office equipment and fixtures	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024				
At 1 January 2024:				
Cost	3,785	3,511	2,157	9,453
Accumulated depreciation	(1,205)	(2,371)	(1,260)	(4,836)
Net carrying amount	2,580	1,140	897	4,617
At 1 January 2024, net of accumulated depreciation	2,580	1,140	897	4,617
Additions	1,419	1,293	—	2,712
Depreciation provided during the year	(834)	(722)	(500)	(2,056)
Disposals	—	(107)	—	(107)
At 31 December 2024, net of accumulated depreciation	3,165	1,604	397	5,166
At 31 December 2024:				
Cost	5,204	4,697	2,157	12,058
Accumulated depreciation	(2,039)	(3,093)	(1,760)	(6,892)
Net carrying amount	3,165	1,604	397	5,166

	Machinery and equipment	Office equipment and fixtures	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025					
At 1 January 2025:					
Cost	5,204	4,697	2,157	—	12,058
Accumulated depreciation	(2,039)	(3,093)	(1,760)	—	(6,892)
Net carrying amount	3,165	1,604	397	—	5,166
At 1 January 2025, net of accumulated depreciation	3,165	1,604	397	—	5,166
Additions	4,777	1,717	—	162	6,656
Transfers	—	—	74	(74)	—
Depreciation provided during the year	(1,299)	(859)	(365)	—	(2,523)
Disposals	(235)	(217)	—	—	(452)
At 31 December 2025, net of accumulated depreciation	6,408	2,245	106	88	8,847

	Machinery and equipment	Office equipment and fixtures	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025:					
Cost	9,746	6,197	2,231	88	18,262
Accumulated depreciation	(3,338)	(3,952)	(2,125)	—	(9,415)
Net carrying amount	<u>6,408</u>	<u>2,245</u>	<u>106</u>	<u>88</u>	<u>8,847</u>

Impairment testing of non-financial assets

Non-financial assets (including the 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 of the Relevant Periods.

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 non-financial assets approved by senior management. The pre-tax discount rate applied to the cash flow projections, the margin rate of 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 EBITDA margin rate	6.92%	8.80%	10.09%
Pre-tax discount rate	17.40%	17.07%	16.60%

The calculation of value in use is based on the following assumptions:

EBITDA margin rate — the rate is derived through combining the 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 EBITDA margin rate, 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 has exceeded its carrying amount and no impairment provision was made.

15. OTHER INTANGIBLE ASSETS

The Group

	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	646	100	746
Additions	268	—	268
Amortisation during the year	(146)	(20)	(166)
At 31 December 2023	<u>768</u>	<u>80</u>	<u>848</u>

	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
At 31 December 2023:			
Cost	1,082	202	1,284
Accumulated amortisation	(314)	(122)	(436)
Net carrying amount	<u>768</u>	<u>80</u>	<u>848</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	768	80	848
Additions	58	–	58
Amortisation during the year	(137)	(20)	(157)
At 31 December 2024	<u>689</u>	<u>60</u>	<u>749</u>
At 31 December 2024:			
Cost	1,140	202	1,342
Accumulated amortisation	(451)	(142)	(593)
Net carrying amount	<u>689</u>	<u>60</u>	<u>749</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	689	60	749
Additions	2,494	–	2,494
Amortisation during the year	(662)	(20)	(682)
At 31 December 2025	<u>2,521</u>	<u>40</u>	<u>2,561</u>
At 31 December 2025:			
Cost	3,634	202	3,836
Accumulated amortisation	(1,113)	(162)	(1,275)
Net carrying amount	<u>2,521</u>	<u>40</u>	<u>2,561</u>

The Company

	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
Cost at 1 January, 2023, net of accumulated amortisation	646	100	746
Additions	33	–	33
Amortisation during the year	(83)	(20)	(103)
At 31 December 2023	<u>596</u>	<u>80</u>	<u>676</u>
At 31 December 2023:			
Cost	847	202	1,049
Accumulated amortisation	(251)	(122)	(373)
Net carrying amount	<u>596</u>	<u>80</u>	<u>676</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	596	80	676
Additions	57	–	57
Amortisation during the year	(90)	(20)	(110)
At 31 December 2024	<u>563</u>	<u>60</u>	<u>623</u>

	Software	Patent	Total
	RMB'000	RMB'000	RMB'000
At 31 December 2024:			
Cost	904	202	1,106
Accumulated amortisation	(341)	(142)	(483)
Net carrying amount	<u>563</u>	<u>60</u>	<u>623</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	563	60	623
Additions	1,292	–	1,292
Amortisation during the year	(406)	(20)	(426)
At 31 December 2025	<u>1,449</u>	<u>40</u>	<u>1,489</u>
At 31 December 2025:			
Cost	2,196	202	2,398
Accumulated amortisation	(747)	(162)	(909)
Net carrying amount	<u>1,449</u>	<u>40</u>	<u>1,489</u>

16. LEASES

During the Relevant Periods, the Group entered into certain lease contracts for buildings which generally have lease terms between two and five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	Buildings	Buildings	Buildings
	RMB'000	RMB'000	RMB'000
As at 1 January	17,066	12,306	7,827
Additions	882	2,213	12,924
Depreciation charge	(5,642)	(6,692)	(7,478)
Termination of lease	–	–	(1,149)
As at 31 December	<u>12,306</u>	<u>7,827</u>	<u>12,124</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	Buildings	Buildings	Buildings
	RMB'000	RMB'000	RMB'000
As at 1 January	5,581	4,266	1,982
Additions	882	–	8,673
Depreciation charge	(2,197)	(2,284)	(2,392)
As at 31 December	<u>4,266</u>	<u>1,982</u>	<u>8,263</u>

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year	18,175	13,372	8,616
New leases	882	2,213	12,924
Accretion of interest recognised during the year . .	629	469	344
Termination of lease	–	–	(1,301)
Payments	(6,314)	(7,438)	(7,923)
Carrying amount at the end of the year	<u>13,372</u>	<u>8,616</u>	<u>12,660</u>
Analysed into:			
Current portion	6,065	6,606	4,569
Non-current portion	<u>7,307</u>	<u>2,010</u>	<u>8,091</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year	6,315	4,708	2,201
New leases	882	–	8,673
Accretion of interest recognised during the year . .	249	160	132
Payments	(2,738)	(2,667)	(2,598)
Carrying amount at the end of the year	<u>4,708</u>	<u>2,201</u>	<u>8,408</u>
Analysed into:			
Current portion	2,511	1,594	3,014
Non-current portion	<u>2,197</u>	<u>607</u>	<u>5,394</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:**The Group**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	629	469	344
Depreciation charge of right-of-use assets	5,642	6,692	7,478
Expense relating to short-term leases*	850	565	777
Total amount recognised in profit or loss	<u>7,121</u>	<u>7,726</u>	<u>8,599</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	249	160	132
Depreciation charge of right-of-use assets	2,197	2,284	2,392
Expense relating to short-term leases*	850	372	201
Total amount recognised in profit or loss	<u>3,296</u>	<u>2,816</u>	<u>2,725</u>

* Included in “Administrative expenses”, “Selling and marketing expenses” and “Research and development expenses” in profit or loss.

(d) The total cash outflow for leases is set out in note 31 to the Historical Financial Information.

17. INVESTMENTS IN SUBSIDIARIES**The Company**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investment in subsidiaries, at costs:			
Guangdong Ledong Electronic Technology Co., Ltd.	10,010	10,127	10,423
Other subsidiaries	<u>1,100</u>	<u>8,360</u>	<u>8,361</u>
Total	<u>11,110</u>	<u>18,487</u>	<u>18,784</u>

Guangdong Ledong Electronic Technology Co., Ltd (Ledong Electronic) is the principal subsidiary of the Company and the sole manufacturing entity of the Group. Other subsidiaries are mainly sales platforms which purchase products from Ledong Electronic and sell to external customers. The directors of the Company determined that the investment in Ledong Electronic has impairment indicators as at each end of the Relevant Periods and have performed impairment testing. As the recoverable amount of investment in the subsidiary is higher than the carrying amount of the investment, therefore no provision was made for the Relevant Periods.

18. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Prepayments for property, plant and equipment	346	1,225	2,322
Contract costs (note (a))	1,717	1,263	780
Certificates of deposits (note (b))	155,137	110,667	–
Other receivables and deposits	1,713	2,077	3,037
Provision for impairment	<u>(95)</u>	<u>(258)</u>	<u>(152)</u>
	158,818	114,974	5,987

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Prepayments	892	3,442	6,203
Value-added tax recoverable	6,253	13,314	36,441
Deferred listing expenses	—	—	2,898
Right-of-return assets	—	—	155
Other receivables	11,320	8,425	3,888
Assets held for sale (note (c))	—	—	5,719
Certificates of deposits (note (b))	92,516	160,337	41,461
Contract costs (note (a))	2,367	835	388
Provision for impairment	(169)	(23)	(554)
	<u>113,179</u>	<u>186,330</u>	<u>96,599</u>
Total	<u>271,997</u>	<u>301,304</u>	<u>102,586</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Prepayments for property, plant and equipment	70	476	1,733
Contract costs (note (a))	1,717	1,263	780
Certificates of deposits (note (b))	155,137	110,667	—
Other receivables and deposits	937	935	719
Provision for impairment	(51)	(193)	(36)
	<u>157,810</u>	<u>113,148</u>	<u>3,196</u>
Current:			
Prepayments	749	2,580	3,090
Value-added tax recoverable	1,662	8,240	27,079
Deferred listing expenses	—	—	2,898
Other receivables	10,635	8,348	3,498
Due from subsidiaries	35,350	16,070	4,228
Certificates of deposits (note (b))	92,516	160,337	41,461
Contract costs (note (a))	2,367	835	388
Provision for impairment	(145)	(3)	(549)
	<u>143,134</u>	<u>196,407</u>	<u>82,093</u>
Total	<u>300,944</u>	<u>309,555</u>	<u>85,289</u>

- (a) Contract costs represented the capitalised costs directly related to the anticipated contracts with the customers and the costs are expected to be recoverable. The capitalised costs are amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods to which the asset relates.
- (b) Certificates of deposits are issued by banks in Chinese Mainland and they are classified and measured at amortised cost as they are held within the business model with the objective to collect contractual cashflows.
- (c) In March 2025, the Group signed an agreement with an independent third party to sell its certain moulds and raw materials. The disposal was not completed and the related assets were classified as held for sale as at 31 December 2025. The Group has received the advance payment of RMB3,366,000 (note 25). The disposal is expected to be completed in April 2026.

The other receivables and deposits are interest-free and unsecured.

As of 31 December 2023, 2024 and 2025, impairment of the other receivables and deposits would be measured based on 12-month expected credit losses if they were 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 losses.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	106,136	10,073	20,012

As at 31 December 2023, 2024 and 2025, the wealth management products were issued by banks in Chinese Mainland, with expected return rates ranging from 1.5% to 3% per annum. The wealth management products were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	13,812	22,826	30,000
Work in progress	5,576	8,281	11,552
Finished goods	9,820	13,345	50,565
Goods in transit	2,505	423	5,267
Total	31,713	44,875	97,384

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	223	3,700	573
Work in progress	637	1,663	435
Finished goods	9,808	13,630	13,751
Goods in transit	2,505	423	2,982
Total	13,173	19,416	17,741

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	10,509	5,212	8,336
Trade receivables	109,409	163,440	156,051
	119,918	168,652	164,387
Impairment of trade receivables	(4,387)	(8,317)	(10,069)
Total	115,531	160,335	154,318

Bills receivable are subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trading terms with its customers are mainly on credit. The credit period is normally 30 to 60 days after the date of invoices. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	104,865	150,628	143,135
1 year to 2 years	157	4,481	2,741
2 years to 3 years	—	14	106
Total	105,022	155,123	145,982

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of year	2,130	4,387	8,317
Impairment losses, net (<i>note 7</i>)	2,257	3,930	1,752
At the end of year	4,387	8,317	10,069

An impairment analysis is performed at each reporting date 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 impairment for the defaulted receivables based on the cash flows that the Group expects to receive.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Defaulted receivables	1,336	100.00	1,336
Other trade receivables aged:			
Within 1 year	107,278	2.25	2,413
1 year to 2 years	332	52.71	175
2 years to 3 years	378	100.00	378
Over 3 years	85	100.00	85
Total	<u>109,409</u>	<u>4.01</u>	<u>4,387</u>

As at 31 December 2024			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Defaulted receivables	7,456	59.98	4,472
Other trade receivables aged:			
Within 1 year	152,581	1.29	1,969
1 year to 2 years	3,109	51.33	1,596
2 years to 3 years	109	87.16	95
Over 3 years	185	100.00	185
Total	<u>163,440</u>	<u>5.09</u>	<u>8,317</u>

As at 31 December 2025			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Defaulted receivables	8,341	71.87	5,995
Other trade receivables aged:			
Within 1 year	145,418	1.57	2,283
1 year to 2 years	936	57.80	541
2 years to 3 years	1,100	90.36	994
Over 3 years	256	100.00	256
Total	<u>156,051</u>	<u>6.45</u>	<u>10,069</u>

The Company

As at 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivable	10,509	5,212	7,007
Trade receivables	107,359	162,849	140,911
Due from subsidiaries	<u>22,528</u>	<u>41,057</u>	<u>118,731</u>
	140,396	209,118	266,649
Less: Allowance for credit losses	<u>(4,341)</u>	<u>(8,253)</u>	<u>(9,642)</u>
Total	<u>136,055</u>	<u>200,865</u>	<u>257,007</u>

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	125,389	191,163	244,224
1 year to 2 years	157	4,476	5,671
2 years to 3 years	—	14	105
Total	<u>125,546</u>	<u>195,653</u>	<u>250,000</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of year	2,130	4,341	8,253
Impairment losses, net	<u>2,211</u>	<u>3,912</u>	<u>1,389</u>
At the end of year	<u>4,341</u>	<u>8,253</u>	<u>9,642</u>

22. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	27,585	90,134	187,938
Less: Restricted bank deposits	—	28,000	52,982
Time deposits	—	15,184	15,574
Cash and cash equivalents	<u>27,585</u>	<u>46,950</u>	<u>119,382</u>
Denominated in:			
RMB	25,839	30,849	56,486
USD	1,746	10,665	50,417
EUR	—	825	10,179
HKD	—	4,558	2,139
GBP	—	53	161
Total	<u>27,585</u>	<u>46,950</u>	<u>119,382</u>
Restricted bank deposits			
Analysed into:			
Current	—	28,000	52,982
Denominated in:			
RMB	—	28,000	51,064
USD	—	—	1,308
EUR	—	—	605
GBP	—	—	5

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Time deposits			
Analysed into:			
Non-current	–	15,184	15,574
	–	–	–
Denominated in:			
RMB	–	15,184	15,574
	–	–	–

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	13,835	70,357	152,712
Less: Restricted bank deposits	–	28,000	51,064
Time deposits	–	15,184	15,574
Cash and cash equivalents	13,835	27,173	86,074
Denominated in:			
RMB	12,089	23,794	47,364
USD	1,746	3,379	34,066
EUR	–	–	4,644
Total	13,835	27,173	86,074
Restricted bank deposits			
Analysed into:			
Current	–	28,000	51,064
	–	–	–
Denominated in:			
RMB	–	28,000	51,064
	–	–	–
Time deposits			
Analysed into:			
Non-current	–	15,184	15,574
	–	–	–
Denominated in:			
RMB	–	15,184	15,574
	–	–	–

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.

As at 31 December 2024 and 31 December 2025, the restricted bank deposits mainly represented guarantee deposits for the issuance of bills payable. Time deposits represented the bank deposits with maturity of three years with an expected rate of return of 2.60% per annum.

23. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank acceptance bills.	<u>7,238</u>	<u>7,289</u>	<u>68,449</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank acceptance bills.	<u>4,988</u>	<u>5,095</u>	<u>56,811</u>

The above bank acceptance bills are issued by reputable banks in Chinese Mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value approximates to the carrying value due to the short maturity.

24. TRADE AND BILLS PAYABLES**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	96,098	121,614	135,729
Bills payables	–	71,241	87,660
Total	<u>96,098</u>	<u>192,855</u>	<u>223,389</u>

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	92,321	191,101	222,538
Over 1 year.	<u>3,777</u>	<u>1,754</u>	<u>851</u>
Total	<u>96,098</u>	<u>192,855</u>	<u>223,389</u>

Trade payables are non-interest-bearing and are normally settled within three months.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	4,463	9,841	9,328
Bills payables	–	71,241	87,660
Due to subsidiaries	65,007	76,240	46,256
Total	<u>69,470</u>	<u>157,322</u>	<u>143,244</u>

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	65,693	156,555	142,462
Over 1 year	3,777	767	782
Total	<u>69,470</u>	<u>157,322</u>	<u>143,244</u>

25. OTHER PAYABLES AND ACCRUALS**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Payroll payables	20,056	25,165	30,973
Payables for property, plant and equipment	2,732	1,746	7,919
Other tax payables	1,923	3,404	5,786
Refund liabilities	–	–	374
Payable for listing expenses	–	–	1,583
Advance receipts for the disposal of assets (note 18(c))	–	–	3,366
Other payables and deposits	5,515	8,093	7,139
Total	<u>30,226</u>	<u>38,408</u>	<u>57,140</u>
Non-current:			
Other payables	1,424	1,113	994
Total	<u>1,424</u>	<u>1,113</u>	<u>994</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Due to subsidiaries	11,568	13,149	13,188
Payroll payables	17,438	21,636	26,816

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payables for property, plant and equipment	2,350	925	5,037
Other tax payables	1,908	2,644	3,949
Advance receipts for the disposal of assets (note 18(c))	—	—	3,366
Other payables and deposits	4,320	4,789	5,520
Total	<u>37,584</u>	<u>43,143</u>	<u>57,876</u>
Non-current:			
Other payables	<u>1,424</u>	<u>1,113</u>	<u>994</u>
Total	<u>1,424</u>	<u>1,113</u>	<u>994</u>

Other payables included the NRE payments received from the customers before the production of goods. They will either be transferred to contract liabilities and recognised as revenue or be refunded to the customers, depending on whether the targets set out in the contracts can be achieved.

26. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	<u>5,376</u>	<u>2,225</u>	<u>9,912</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	<u>5,376</u>	<u>2,161</u>	<u>7,821</u>

The change in contract liabilities were due to the change of orders paid in advance.

27. PROVISIONS

The Group

	Warranties
	RMB'000
At 1 January 2023.	1,192
Additional provision	1,416
Amounts utilised during the year.	<u>(1,230)</u>
At 31 December 2023	<u>1,378</u>
At 1 January 2024.	1,378
Additional provision	1,299
Amounts utilised during the year.	<u>(800)</u>
At 31 December 2024	<u>1,877</u>

	Warranties
	<i>RMB'000</i>
At 1 January 2025.	1,877
Additional provision	4,807
Amounts utilised during the year.	<u>(3,823)</u>
At 31 December 2025	<u>2,861</u>

The Company

	Warranties
	<i>RMB'000</i>
At 1 January 2023.	1,192
Additional provision	1,416
Amounts utilised during the year.	<u>(1,230)</u>
At 31 December 2023	<u>1,378</u>
At 1 January 2024.	1,378
Additional provision	1,299
Amounts utilised during the year.	<u>(800)</u>
At 31 December 2024	<u>1,877</u>
At 1 January 2025.	1,877
Additional provision	2,382
Amounts utilised during the year.	<u>(2,006)</u>
At 31 December 2025	<u>2,253</u>

The Group generally provides warranties of 12-24 months 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.

28. SHARE CAPITAL

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	<i>(in thousand)</i>	<i>RMB'000</i>
As at 31 December 2023, 2024 and 2025	<u>30,000</u>	<u>30,000</u>

Prior to the Relevant Periods, the Company entered into respective shareholders' agreements and share subscription agreements (collectively, the "Pre-IPO Investors Agreements") with various Pre-IPO Investors (collectively, the "Pre-IPO Investors") and issued 5,865,247 ordinary shares thereto with a total consideration of approximately RMB388,000,000 (collectively, the "Pre-IPO Investments") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the Pre-IPO Investors Agreements, the Pre-IPO Investors were granted by the Company special rights, including redemption rights.

On 25 February 2022, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption 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. As the Special Rights were terminated prior to the Relevant Periods, there are no impacts to the financial position of the Group as at the end of the each of the Relevant Periods or the financial performance of the Group for the Relevant Periods.

29. RESERVES

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.

(a) Capital reserve

The capital reserve mainly represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share-based payment reserve, details of which are set out in note 30 to the Historical Financial Information.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statement of foreign operations whose functional currencies are different from the Group's presentation currency.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	534,213	9,424	(46,964)	496,673
Loss for the year	—	—	(63,528)	(63,528)
Total comprehensive loss for the year . . .	—	—	(63,528)	(63,528)
Share-based payments	—	12,715	—	12,715
At 31 December 2023	<u>534,213</u>	<u>22,139</u>	<u>(110,492)</u>	<u>445,860</u>

	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	534,213	22,139	(110,492)	445,860
Loss for the year	—	—	(53,866)	(53,866)
Total comprehensive loss for the year . . .	—	—	(53,866)	(53,866)
Share-based payments	—	11,808	—	11,808
At 31 December 2024	<u>534,213</u>	<u>33,947</u>	<u>(164,358)</u>	<u>403,802</u>

	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	534,213	33,947	(164,358)	403,802
Loss for the year	—	—	(50,211)	(50,211)
Total comprehensive loss for the year . . .	—	—	(50,211)	(50,211)
Share-based payments	—	22,768	—	22,768
At 31 December 2025	<u>534,213</u>	<u>56,715</u>	<u>(214,569)</u>	<u>376,359</u>

30. SHARE INCENTIVE PLAN**(a) 2020 Employee Incentive Scheme**

Lecheng Technology Partnership (Limited Partnership) (深圳樂澄科技合夥企業(有限合夥)) (“Le Cheng Technology”) was established in the PRC since November 2017 and became a shareholder of the Company since January 2018. 150,000 shares of the Company held by Le Cheng Technology were granted to eligible participants who contribute to the success of the Group’s operations under 2020 Employee Incentive Scheme. The share awards were vested immediately upon grant.

During the year ended 31 December 2022 and 2023, pursuant to share transfer agreements entered into between limited partners of Le Cheng, who are also employees of the Group, a total of 1,395 shares and 2,130 shares of the Company were transferred between the employees at a consideration lower than the fair value of the shares at the time. The difference between the fair value and consideration paid was recognised as share-based payment expenses with total amount of RMB3,499,000 for the year ended 31 December 2023.

(b) 2021 Employee Incentive Scheme

In November 2021, the Company passed a resolution to grant up to 116,726 restricted shares of the Company to certain directors and employees of the Company (“2021 Employee Incentive Scheme”). The 2021 Employee Incentive Scheme was established to retain certain eligible employees for the continual operation and development of the Group.

Shenzhen Photon Space Technology Partnership (Limited Partnership) (深圳光子空間科技合夥企業(有限合夥)) (“Photon Space”) and Shenzhen Guangfan Qihang Technology Partnership Enterprise (Limited Partnership) (深圳光帆啟航科技合夥企業(有限合夥)) (“Guangfan Qihang”), employee incentive platforms established in the PRC, subscribed for 116,726 shares of the Company at RMB137.07 per share for a total consideration of RMB16,000,000, of which, RMB13,676,000 was paid in 2021 and RMB2,324,000 was paid in 2022. The Group has no control over Photon Space and Guangfan Qihang. The shares held by Photon Space have been granted to the controlling shareholders and other eligible employees.

The share awards granted to the controlling shareholders were vested immediately. The share awards granted to other eligible employees under 2021 Employee Incentive Scheme are subject to a service condition of four years and the share-based payment expenses are amortised over the service period.

(c) 2025 Employee Incentive Scheme

In May 2025, the Company passed a resolution to grant not exceed 24.73% partnership interest in Photon Space and 38.79% partnership interest in Guangfan Qihang to certain directors and employees of the Company (“2025 Employee Incentive Scheme”). The 2025 Employee Incentive Scheme was established to retain certain eligible employees for the continual operation and development of the Group. On 8 July 2025, 568,200 restricted shares (equivalent to 32,499 shares before conversion into a joint stock company) of the Company were granted to the eligible participants at a subscription price of RMB10.00 and RMB16.67 per share. The vesting of the restricted shares is subject to a service condition for two years after the grant date or one year after the IPO, whichever is later.

Set out below are details of the movements of the outstanding restricted shares granted throughout the Relevant Periods:

	Outstanding at 1 January 2023	Granted during the year	Forfeited	Vested	Outstanding at 31 December 2023
Restricted shares*	777,543	109,187	(34,688)	—	852,042
	Outstanding at 1 January 2024	Granted during the year	Forfeited	Vested	Outstanding at 31 December 2024
Restricted shares*	852,042	—	(88,049)	—	763,993

	Outstanding at 1 January 2025	Granted during the year	Forfeited	Vested	Outstanding at 31 December 2025
Restricted shares*	<u>763,993</u>	<u>574,992</u>	<u>(25,159)</u>	<u>–</u>	<u>1,313,826</u>

* The number of restricted shares refers to the shares after conversion into a joint stock company.

During the years ended 31 December 2023, 2024 and 2025, the Group recognised equity-settled share-based payment expenses under 2021 Employee Incentive Scheme and 2025 Employee Incentive Scheme of RMB9,216,000, RMB11,808,000 and RMB22,768,000, respectively.

The fair value of the share award granted through 2021 Employee Incentive Scheme and 2025 Share Incentive Scheme were measured as the market value at the grant dates, which were determined by an external valuer using the discounted cash flows method and recent transaction prices. The following table lists the significant inputs to the fair value model used during the Relevant Periods:

	30 June 2023	30 December 2023	30 June 2025
Expected volatility	49.73%	44.48%	52.75%
Risk-free interest rate	2.30%	2.30%	2.00%
DLOM	16.00%	13.00%	10.00%

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB882,000, RMB2,213,000 and RMB12,924,000, respectively, in respect of lease arrangements for buildings.

During the year ended 31 December 2024, the Group settled trade receivables due from a customer in the amount of RMB6,690,000 by using the payables arising from the purchase that the Group had made from the customer.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	<i>RMB'000</i>
At 31 December 2022 and 1 January 2023	18,175
Changes from financing cash flows	(6,314)
New lease addition	882
Accretion of interest	<u>629</u>
At 31 December 2023 and 1 January 2024	13,372
Changes from financing cash flows	(7,438)
New lease addition	2,213
Accretion of interest	<u>469</u>
At 31 December 2024 and 1 January 2025	8,616
Changes from financing cash flows	(7,923)
New lease addition	12,924
Termination of lease	(1,301)
Accretion of interest	<u>344</u>
At 31 December 2025	<u>12,660</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities.	850	565	777
Within financing activities.	6,314	7,438	7,923
Total	<u>7,164</u>	<u>8,003</u>	<u>8,700</u>

32. PLEDGE OF ASSETS

Details of the Group's bank deposits pledged for the bills payable are included in note 22 to the Historical Financial Information.

33. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchases of items of property, plant and equipment	<u>2,906</u>	<u>2,968</u>	<u>8,214</u>

34. RELATED PARTY TRANSACTION

Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	3,723	3,992	4,371
Performance related bonuses	1,776	2,530	3,088
Pension scheme contributions	50	60	75
Share-based payment compensation.	<u>6,837</u>	<u>3,900</u>	<u>12,204</u>
Total compensation paid to key management personnel	<u>12,386</u>	<u>10,482</u>	<u>19,738</u>

Further details of directors' and chief executive's are set out in note 9 to the Historical Financial Information.

35. TRANSFERS OF FINANCIAL ASSETS**Transferred financial assets that are not derecognised in their entirety**

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the "Endorsed Bills") with carrying amounts of RMB10,509,000 and RMB5,212,000, and RMB8,336,000 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 amounts of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse were RMB12,569,000, RMB27,691,000 and RMB18,484,000 as at 31 December 2023, 2024, and 2025, respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB19,722,000, RMB26,758,000 and RMB64,307,000, respectively. The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the 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 trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the Relevant Periods or cumulatively. The endorsement has been made evenly throughout the Relevant Periods.

36. 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:

Financial assets	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss:			
Wealth management products	106,136	10,073	20,012
Financial assets at fair value through other comprehensive income:			
Debt investments at fair value through other comprehensive income	7,238	7,289	68,449
Financial assets at amortised cost:			
Trade and bills receivables	115,531	160,335	154,318
Financial assets included in prepayment, other receivables and other assets	260,422	281,225	47,680
Time deposit	–	15,184	15,574
Restricted bank deposits	–	28,000	52,982
Cash and cash equivalents	27,585	46,950	119,382
Total	<u>516,912</u>	<u>549,056</u>	<u>478,397</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and bills payables	96,098	192,855	223,389
Financial liabilities included in other payables and accruals	8,247	9,839	17,015
Lease liabilities	<u>13,372</u>	<u>8,616</u>	<u>12,660</u>
Total	<u>117,717</u>	<u>211,310</u>	<u>253,064</u>

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for 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 following methods and assumptions were used to estimate the fair values:

The Group invests in financial assets at fair value through profit or loss, which represent wealth management products issued by banks.

The fair values of wealth management products which were all issued by reputable commercial banks have been estimated by using discounted cash flow valuation models with reference to observable inputs including fluctuations of gold price and foreign exchange rate. The fair value of debt investments at fair value through other comprehensive income is estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB'000	(Level 2) RMB'000	(Level 3) RMB'000	
Financial assets				
Debt investments at fair value through other comprehensive income	–	7,238	–	7,238
Financial assets at fair value through profit or loss.	–	106,136	–	106,136
Total	–	113,374	–	113,374

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB'000	(Level 2) RMB'000	(Level 3) RMB'000	
Financial assets				
Debt investments at fair value through other comprehensive income	–	7,289	–	7,289
Financial assets at fair value through profit or loss.	–	10,073	–	10,073
Total	–	17,362	–	17,362

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1) RMB'000	(Level 2) RMB'000	(Level 3) RMB'000	
Financial assets				
Debt investments at fair value through other comprehensive income	–	68,449	–	68,449
Financial assets at fair value through profit or loss.	–	20,012	–	20,012
Total	–	88,461	–	88,461

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledge deposits, and financial assets at fair value through profit or loss. 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 and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in basis points	(Increase)/decrease in loss before tax	Increase/(decrease) in equity
		RMB'000	RMB'000
Year ended 31 December 2023			
If RMB weakens against the US\$	5	91	91
If RMB strengthens against the US\$	5	(91)	(91)
Year ended 31 December 2024			
If RMB weakens against the US\$	5	449	449
If RMB strengthens against the US\$	5	(449)	(449)
If RMB weakens against the EUR	5	14	14
If RMB strengthens against the EUR	5	(14)	(14)
Year ended 31 December 2025			
If RMB weakens against the US\$	5	2,446	2,446
If RMB strengthens against the US\$	5	(2,446)	(2,446)
If RMB weakens against the EUR	5	1,690	1,690
If RMB strengthens against the EUR	5	(1,690)	(1,690)
If RMB weakens against the HKD	5	108	108
If RMB strengthens against the HKD	5	(108)	(108)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables* . . .	—	—	—	119,918	119,918
Financial assets included in prepayment, other receivables and other assets**	260,686	—	—	—	260,686
Debt investments at fair value through other comprehensive income	7,238	—	—	—	7,238
Cash and cash equivalents	27,585	—	—	—	27,585
Total	<u>295,509</u>	<u>—</u>	<u>—</u>	<u>119,918</u>	<u>415,427</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables* . . .	—	—	—	168,652	168,652
Financial assets included in prepayment, other receivables and other assets**	281,506	—	—	—	281,506
Time deposit	15,184	—	—	—	15,184
Restricted bank deposits	28,000	—	—	—	28,000
Debt investments at fair value through other comprehensive income	7,289	—	—	—	7,289
Cash and cash equivalents	46,950	—	—	—	46,950
Total	<u>378,929</u>	<u>—</u>	<u>—</u>	<u>168,652</u>	<u>547,581</u>

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables* . . .	—	—	—	164,387	164,387
Financial assets included in prepayment, other receivables and other assets**	47,341	1,045	—	—	48,386
Time deposit	15,574	—	—	—	15,574
Restricted bank deposits	52,982	—	—	—	52,982
Debt investments at fair value through other comprehensive income	68,449	—	—	—	68,449
Cash and cash equivalents	119,382	—	—	—	119,382
Total	<u>303,728</u>	<u>1,045</u>	<u>—</u>	<u>164,387</u>	<u>469,160</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful.”

As at 31 December 2023, 2024 and 2025, the Group had certain concentrations of credit risk as 28%, 18% and 14% of the Group's trade and bills receivables were due from the largest customer, respectively, and 71%, 61% and 46% of the Group's trade and bills receivables were due from the five largest customers, respectively.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and lease liabilities. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

As at 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
Trade and bills payables	96,098	—	96,098
Financial liabilities included in other payables and accruals	8,247	—	8,247
Lease liabilities	6,525	8,071	14,596
Total	<u>110,870</u>	<u>8,071</u>	<u>118,941</u>

As at 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
Trade and bills payables	192,855	—	192,855
Financial liabilities included in other payables and accruals	9,839	—	9,839
Lease liabilities	7,216	2,217	9,433
Total	<u>209,910</u>	<u>2,217</u>	<u>212,127</u>

As at 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000
Trade and bills payables	223,389	—	223,389
Financial liabilities included in other payables and accruals	17,015	—	17,015
Lease liabilities	4,937	8,247	13,184
Total	<u>245,341</u>	<u>8,247</u>	<u>253,588</u>

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 an asset-liability ratio, which is total assets divided by total liabilities. The asset-liability ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total assets	600,144	652,644	674,998
Total liabilities	147,874	245,094	306,956
Asset-liability ratio	<u>25%</u>	<u>38%</u>	<u>45%</u>

39. EVENTS AFTER THE RELEVANT PERIODS

No significant events have occurred in respect of any period subsequent to 31 December 2025.

40. 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.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Document, and is included herein for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Document and the Accountants' Report set out in Appendix I to this Document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the parent as at 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the parent had the Global Offering been completed as of 31 December 2025 or as at any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025	Estimated net Proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 December 2025	
	RMB'000 (Note 1)	RMB'000 (Note 2&4)	RMB'000	RMB (Note 3)	HK\$ (Note 4)
Based on an Offer Price of					
HK\$24.00 per Share	365,481	654,438	1,019,919	3.06	3.49
Based on an Offer Price of					
HK\$27.00 per Share	365,481	738,084	1,103,565	3.31	3.78
Based on an Offer Price of					
HK\$30.00 per Share	365,481	821,731	1,187,212	3.56	4.06

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 is arrived at after deducting intangible assets of RMB2,561,000 from the audited net assets attributable to owners of the Company as at 31 December 2025 of RMB368,042,000 set out in the Accountants' Report in Appendix I to this Document.
2. The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$24.00, HK\$27.00 or HK\$30.00 per H Share after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.
3. The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on the estimated net proceeds from the Global Offering. Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 after adjustments referred to in the preceding note 2 and then by dividing 333,333,400 H Share to be issued, comprising of 300,000,000 H shares to be converted from Unlisted Shares and 33,333,400 Shares to be issued assuming the Global Offering has been completed on 31 December 2025. The shares have been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis.
4. For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in RMB are converted into HK\$ at the rate of RMB1.00 to HK\$1.14171.
5. No other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 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.



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To the Directors of SHENZHEN LDROBOT CO., LTD

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of SHENZHEN LDROBOT 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 pages II-1 to II-2 of the prospectus dated 30 April 2026 issued by the Company (the “unaudited pro forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma Financial Information are described in Part A of Appendix II to the Prospectus.

The unaudited pro forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at 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 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 behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma Financial Information.

The purpose of the unaudited pro forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the unaudited pro forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

30 April 2026

TAXATION FOR HOLDERS OF SECURITIES

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on laws and practices in effect as at the Latest Practicable Date, which are subject to change or adjustment and may have retrospective effect, and therefore the following summary of taxation provisions does not constitute any advice or recommendation. The discussion does not deal with all possible tax consequences resulting from an investment in H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares.

No issues on PRC or Hong Kong taxation other than income tax, capital gain tax and profits tax, business tax/value-added tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the H Shares.

TAXATION IN THE PRC**Taxation on Dividends***Individual Investors*

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 and promulgated on August 31, 2018, and came into effect and was implemented on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended and promulgated on December 18, 2018, and came into effect and was implemented on January 1, 2019 (hereinafter collectively referred to as the “**IIT Law**”), 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 an individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed between the Mainland China and the Hong Kong Special Administrative Region on August 21, 2006, and came into effect on December 8, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, stipulates that the above provisions shall not apply to arrangements or transactions entered into with the primary purpose of obtaining the above tax benefits.

In addition, the application of the dividend clauses of the tax treaties is subject to the requirements of the PRC tax laws and regulations, including the guidelines specified in the Circular of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Treaties (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009]81號)), which came into effect on February 20, 2009. Compliance with these regulations is necessary to determine the tax applicable to dividends under the arrangement.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was issued by the National People's Congress (the “NPC”) on March 16, 2007, came into effect on January 1, 2008, and was subsequently amended on February 24, 2017, and December 29, 2018, respectively, and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008, and subsequently amended on April 23, 2019, and December 6, 2024 (hereinafter collectively referred to as the “**EIT Law**”), a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no direct connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted under an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Taxation on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was issued and implemented by the State Administration of Taxation (the “SAT”) on November 6, 2008, further clarifies that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to overseas non-resident enterprise shareholders of H Shares when distributing dividends for 2008 and onwards. In addition, the Response of the SAT to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)), which was

issued and implemented by the SAT on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends for 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rate may be further modified under the tax treaty that China has concluded with the relevant jurisdiction.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed between the Mainland China and the Hong Kong Special Administrative Region on August 21, 2006, and came into effect on December 8, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on December 6, 2019, stipulates that the above provisions shall not apply to arrangements or transactions entered into with the primary purpose of obtaining the above tax benefits.

In addition, the application of the dividend clauses of the tax treaties is subject to the requirements of the PRC tax laws and regulations, including the guidelines specified in the Circular of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Treaties (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009]81號)), which came into effect on February 20, 2009. Compliance with these regulations is necessary to determine the tax applicable to dividends under the arrangement.

Tax Treaties

Non-resident investors residing in countries or jurisdictions which have entered into treaties for the avoidance of double taxation with the PRC may be entitled to a reduction or exemption from corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into the Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Non-PRC resident enterprises entitled to preferential tax rates under the relevant tax treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Additional Tax

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to Value-Added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)) (the “**Circular 36**”), which was effective and implemented on May 1, 2016 and subsequently amended on July 11, 2017, December 25, 2017 and March 20, 2019, respectively, entities and individuals engaged in sales of services in the PRC shall be subject to value-added tax (VAT) and “engaged in sales of services in the PRC” means that the service provider or recipient of the transaction is located in the PRC.

In addition, Circular 36 also provides that the transfer of financial products, including the transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income. For this purpose, the taxable income is the balance of the sales price upon deduction of the purchase price. This VAT liability applies to both general and foreign VAT taxpayers. It is worth noting that individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and the SAT on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009.

Pursuant to the above regulations, a non-resident individual who sells or disposes of H Shares is exempted from the PRC VAT; however, if the holder is a non-resident enterprise and the buyer of H Shares is an individual or entity located outside the PRC, the holder may not be required to pay the PRC VAT, but if the buyer of H Shares is an individual or entity located in the PRC, the holder may be required to pay the PRC VAT.

However, it is still uncertain whether the non-PRC resident enterprises are required to pay the PRC VAT for the disposal of H Shares in practice, given that there is no clear regulation.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the VAT actually paid (if any).

Income Tax***Individual Investors***

Pursuant to the IIT Law, individuals are subject to an individual income tax at a rate of 20% on gains from the transfer of equity interests in the PRC resident enterprises. However, according to the Circular of the Ministry of Finance and the SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》(財稅字[1998]61號)) jointly issued by the Ministry of Finance (the “MOF”) and the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed companies continues to be exempted from individual income tax.

However, on December 31, 2009, the MOF, the SAT and China Securities Regulatory Commission jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》(財稅[2009]167號)), which was effective and implemented on January 1, 2010, which states that individuals’ income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals’ Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(財稅[2010]70號)) jointly issued by such three departments and effective on November 10, 2010.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares of the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to enterprise income tax at the rate of 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise. However, this tax only applies if the non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The income tax to be withheld by a non-resident enterprise shall be deducted at source, with the paying entity acting as the withholding agent. Such withholding agent is obliged to deduct the income tax from each payment made or due to the non-resident enterprise. Notably, such tax may be reduced or exempted under applicable tax treaties or agreements on the avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on June 10, 2021, and became effective and was implemented on July 1, 2022, the PRC stamp duty applies to all types of documents that are legally binding in the PRC and are protected by the PRC laws. Therefore, the PRC stamp duty does not apply to the purchase or disposal of H Shares outside the PRC.

Estate Duty

No estate duty is currently levied in the PRC under current PRC laws.

Enterprise Income Tax

Under the EIT Law, the enterprise income tax rate in the PRC is 25% and is in line with the rate applicable to foreign-invested enterprises and foreign enterprises.

Pursuant to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the MOF and the SAT on April 14, 2008, amended on January 29, 2016, and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% according to the relevant requirements of the EIT Law. Pursuant to the Notice on Promoting Nationwide the Enterprise Income Tax Policies for Advanced Technology Service Enterprises Across the Country (《關於將技術先進型服務企業所得稅政策推廣至全國實施的通知》) (the relevant enterprise income tax incentives stipulated therein have been implemented since January 1, 2017), which was promulgated by the MOF, the SAT, the Ministry of Commerce, the Ministry of Science and Technology and the NDRC on November 2, 2017, and became effective on January 1, 2017, the enterprise income tax shall be levied on certified advanced technology service enterprises at a reduced tax rate of 15% across the country. The portion of the employee educational expenses of a certified advanced technology service enterprise not exceeding 8% of its total salaries and wages shall be allowed to be deducted in calculating its taxable income, and the excessive portion shall be allowed to be carried forward to subsequent tax years for deduction.

VAT

Before August 2013 and according to applicable tax regulations in Mainland China, any entity or individual conducting business in the service industry is generally required to pay a business tax at the rate of 5% on the revenue generated from providing services. However, if the services provided are related to technology development and transfer, the business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the MOF and the SAT promulgated the Pilot Plan for Imposition of VAT to Replace Business Tax (《營業稅改徵增值稅試點方案》). In May and December 2013, April 2014, March 2016 and July 2017, the MOF and the SAT promulgated five circulars to further expand the scope of services that are to be subject to VAT instead of business tax. Under these tax rules, from August 1, 2013, a VAT was imposed to replace the business tax in certain service industries, including technology services and advertising services, and from May 1, 2016, VAT replaced business tax in all industries, on a nationwide basis. On November 19, 2017, the State Council further amended the Interim Regulation of the PRC on Value Added Tax (《中華人民共和國增值稅暫行條例》) to reflect the normalization of the pilot program. The VAT rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT rate applicable to the small-scale taxpayers is 3%. Unlike a business tax, a taxpayer is allowed to offset the qualified input VAT paid on taxable purchases against the output VAT chargeable on the revenue from services provided.

Pursuant to the Notice on Adjusting Value-added Tax Rates (《關於調整增值稅稅率的通知》) promulgated by the MOF and the SAT on April 4, 2018, and became effective on May 1, 2018, the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was issued by the MOF, the SAT and the General Administration of Customs on March 20, 2019, and came into effect and was implemented on April 1, 2019, the tax rates of 16% and 10% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 13% and 9%, respectively.

FOREIGN EXCHANGE CONTROL OF THE PRC

The lawful currency of the PRC is Renminbi (“**RMB**”), which is currently subject to foreign exchange control and cannot be freely converted into foreign currencies. The SAFE, under the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

Pursuant to the Regulations on Foreign Exchange Control of the People's Republic of China (《中華人民共和國外匯管理條例》) (the “**Regulations on Foreign Exchange Control**”), which was promulgated by the State Council on January 29, 1996, and came into effect and was implemented on April 1, 1996, all international payments and transfers shall be classified into current accounts and capital accounts. The current accounts shall be subject to the reasonable examination of the authenticity of transaction documents and their consistency with foreign exchange receipts and payments by the financial institutions engaging in the business of foreign exchange settlement and sales, and shall be subject to the supervision and inspection by the foreign exchange administrative authorities. With regard to the capital accounts, foreign organizations and individuals making direct investments in China shall, upon approval by the competent authorities concerned, register with the foreign exchange administrative authorities. The foreign exchange income obtained from abroad may be

repatriated or deposited abroad. Foreign exchange and foreign exchange settlement funds under capital accounts shall be used for the purposes approved by the relevant competent authorities and the foreign exchange administrative authorities. When there is or may be a serious imbalance in the balance of payments, or when there is or may be a serious crisis in the national economy, the State may take measures necessary to guarantee and control the balance of payments. The Regulations on Foreign Exchange Control were subsequently amended on January 14, 1997 and August 5, 2008, respectively. The last amended Regulations on Foreign Exchange Control clearly state that China will not impose any restrictions on international payments and transfers under current accounts, while those under capital accounts remain subject to relevant approvals.

The Regulations on Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996, and implemented on July 1, 1996, have abrogated other restrictions on foreign exchange under current accounts but retained existing regulations over foreign exchange transactions under capital accounts.

Pursuant to the Announcement of the PBOC on Improving the Reform of the RMB Exchange Rate Formation Mechanism (the PBOC Announcement [2005] No. 16) (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》(中國人民銀行公告[2005]第16號)) issued by the PBOC on July 21, 2005, China began to reform its exchange rate regime to implement a managed floating exchange rate system in which the exchange rate would be adjusted based on market supply and demand and with reference to a basket of currencies on July 21, 2005. Therefore, the RMB exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the RMB against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against RMB transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulations on Foreign Exchange Control (《外匯管理條例》) (the “**Revised Regulations on Foreign Exchange Control**”), which have made substantial changes to the foreign exchange control system of the PRC. First, the Revised Regulations on Foreign Exchange Control have adopted an approach of balancing the inflow and outflow of foreign capital. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under capital accounts are required to be used only for purposes approved by the competent authorities and foreign exchange administrative authorities. Second, the Revised Regulations on Foreign Exchange Control have improved the RMB exchange rate system based on market supply and demand. Third, the Revised Regulations on Foreign Exchange Control has strengthened the monitoring of cross-border flows of foreign currency funds, where the international balance of payment suffers or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against the international balance of payment. Fourth, the Revised

Regulations on Foreign Exchange Control have enhanced the regulations and the supervision and administration of foreign exchange transactions and granted extensive authority to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign-invested enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign-invested enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises (such as our Company) which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders meeting on the distribution of profits, effect payment from foreign exchange accounts at designated foreign exchange banks or effect exchange and payment at designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (Guo Fa [2014] No. 50) (《國務院關於取消和調整一批行政審批項目等事項的決定》(國發[2014]50號)), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE promulgated and implemented the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)), pursuant to which a domestic company shall, within 15 working days from the date of the end of its overseas listing issuance, register the overseas listing with the SAFE's local branch offices at the place of its incorporation; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》(Hui Fa [2015] No. 13)), which was promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (Hui Fa [2016] No. 16) (《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》)(匯發[2016]16號), which was promulgated by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under capital accounts (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under capital accounts is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at an appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》)(匯發[2017]3號)) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issue Notice of the State Administration of Foreign Exchange on Further Facilitating Cross-border Trade and Investment (Hui Fa [2019] No. 28) (《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》)(匯發[2019]28號)), which, among other things, allows all foreign-invested enterprises to use RMB converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

Pursuant to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration 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》), which was promulgated by the SAFE on April 10, 2020, and became effective and was implemented on April 10, 2020, the reform of facilitating the payments of income under capital accounts shall be promoted nationwide. Eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and income under capital accounts of overseas listing, without providing the evidentiary materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their capital use shall be authentic, and conform to the prevailing administrative regulations on the use of income under capital accounts.

This appendix contains a summary of laws and regulations on companies in China and securities. The principal objective is to provide an overview of the principal laws and regulations applicable to us. Laws and regulations relating to taxation in the PRC are discussed in “Appendix III — Taxation and Foreign Exchange.” This appendix also contains a summary of certain Hong Kong legal and regulatory provisions. For discussion of laws and regulations specifically governing the business of the Company, please see the section headed “Regulatory Overview.”

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules and regulations of the State Council, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “**Legislation Law**”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations concerning urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if

they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws and administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional regulations is vested in the regional legislative and administrative authorities which promulgate such regulations.

The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the

intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**PRC Civil Procedure Law**”) promulgated on April 9, 1991, and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021, and September 1, 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization are given the same litigation rights and obligations as a citizen, a legal person and other organizations of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other

organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights of citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he/she/it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. Under the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigations, collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a legally effective judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Overseas Listing Trial Measures"), which came into effect on March 31, 2023, and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

The Guidelines for the Articles of Association of Listed Companies

On March 28, 2025, the CSRC promulgated the latest amended the Guidelines for the Articles of Association of Listed Companies (the “**Guidelines for the Articles of Association**”), pursuant to the Overseas Listing Trial Measures and its supporting guidelines, the Guidelines for Application of Regulatory Rules — Overseas Listing Category No. 1, domestic companies that are directly listed overseas shall comply with the relevant provisions of Overseas Listing Trial Measures and formulate its articles of association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on corporate governance to regulate corporate governance.

The PRC Company Law

The Company Law of the People’s Republic of China (the “**PRC Company Law**”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993, and came into effect on July 1, 1994, and was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023. The latest revised PRC Company Law was implemented on July 1, 2024.

A “joint stock limited company” refers to a corporate legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not undertake joint and several liabilities for the debts of the invested companies as a contributor.

Incorporation

A company may be incorporated by promotion or raising. A company shall be incorporated by two to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Companies established by promotion are companies of which the registered capital is the total share capital subscribed for by all the promoters registered with the company’s registration authorities. No shares shall be raised from others before the shares subscribed for by the promoters are fully paid up. For companies established by subscription, the promoters are required to subscribe for not less than 35% of the total number of shares to be issued of a company stipulated by the articles of association when establishing a company. However, if laws and administrative regulations have separate provisions, the company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe for the full amount of shares to be issued upon the establishment of the company as provided for in the articles of association. If such assets are to be contributed as capital, non-monetary property used for capital contributions shall be evaluated and verified, and shall not be overvalued or undervalued. Where laws or administrative regulations provide otherwise, those provisions shall prevail. Promoters shall pay the full amount of the subscribed shares before the establishment of the company. Failing to make any full payment for the shares on time shall be liable to compensate any loss incurred to the company in addition to payment for the shares in full amount.

Where joint stock limited companies are incorporated by raising, promoters must subscribe for not less than 35% of the total number of shares to be issued of a company stipulated by the articles of association when establishing a company, unless otherwise provided for by laws and administrative regulations. A prospectus shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscription letter shall be filled in by the subscriber with the number of shares to be subscribed, amount, address, and signed and sealed. The subscribers shall pay up monies for the shares they subscribe for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters of a joint stock limited company incorporated by raising shall convene the company's establishment meeting within 30 days from the date of full payment of the shares to be issued at the time of establishment. The promoter shall notify all subscribers of the meeting date or make an announcement fifteen days before the establishment meeting. The establishment meeting shall be attended by more than half of the voting rights held by the subscribers. Within 30 days of the conclusion of the establishment meeting, the board of directors shall apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after approval of registration has been given by the company registration authority and a business license has been issued. After the establishment of the company, the board of directors shall verify the capital contribution of shareholders. If a shareholder has not paid the capital contribution in full as stipulated in the company's articles of association on schedule, the company shall issue a written call to the shareholder to make the payment.

The promoters of a company shall:

- (I) individually and jointly be liable for the payment of all liabilities and expenses incurred in the incorporation process if the company cannot be incorporated;
- (II) individually and jointly be liable for the repayment of subscription monies to the subscribers together with interest at bank rates of a deposit for the same period if the company cannot be incorporated; and
- (III) as regards the civil liabilities arising from the civil activities undertaken by the promoter at the time of establishment in his/her own name for the purpose of establishing the company, the third party shall have the right to choose to request the promoter to bear such liabilities.
- (IV) in the process of establishing a company, if the promoter causes harm to others due to the performance of the company's establishment duties, the company or the innocent promoter shall bear the liability for compensation and may seek compensation from the negligent promoter.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, equity and debt which can be appraised with monetary value and transferred lawfully, except for assets that are prohibited from being contributed as capital by the laws or administrative regulations. If such assets are to be contributed as capital, evaluation and verification shall be made for contributed assets in accordance with the provisions on evaluation under laws or administrative regulations, and shall not be overvalued or undervalued.

The company's capital is divided into shares. All shares of the company shall be either shares with par value or shares with no par value according to the articles of association. For shares with par value, the amount of each share is equal. The company may convert all issued shares with par value into shares with no par value or convert all shares with no par value into shares with par value according to the articles of association. In case of adopting shares with no par value, more than half of the proceeds from the issuance of shares shall be credited to the registered capital.

The issuance of shares shall be conducted in a fair and equitable manner, and each share of the same class shall enjoy the same rights. For shares issued at the same time and within the same class, the conditions and price per share must be the same. Any share subscriber (whether as an entity or individual) shall pay the same price for each share. The issue price of par value stock may be equal to or exceed the face value, but shall not be lower than the face value.

Increase in Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares shall be approved at a shareholders meeting. In addition, the Securities Law of the PRC (the “**PRC Securities Law**”) also stipulates the following conditions for the company’s public offering of new shares:

- (I) have a sound organisational structure with satisfactory operating;
- (II) have the capability of sustainable operation;
- (III) have been issued with an unqualified opinion audit report by the auditor for the company’s financial accounting documents in the latest three years;
- (IV) the issuer and its controlling shareholder(s) and the actual controllers do not have criminal records during the past three years for corruption, bribery, encroachment of assets, misappropriation of assets or disruption of socialist market economy order; and
- (V) other conditions required by the securities administration department of the State Council as approved by the State Council. After the new shares issued by the company have been fully paid up, the change must be registered with the company registration authority and a public announcement shall be made.

Reduction of Share Capital

The Company shall reduce the registered capital under the following procedures as stipulated in the PRC Company Law:

- (I) the company shall prepare a balance sheet and an inventory of properties;
- (II) the company shall resolve at a shareholders meeting to reduce the registered capital;
- (III) the company shall notify its creditors within 10 days after resolving to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;
- (IV) a creditor may, within 30 days after receipt of the notification, or 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and
- (V) the company must apply to the companies registration authority for a change in registration.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (I) reduction of the registered capital of the company;
- (II) merger with another company that holds its shares;
- (III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (IV) request from shareholders who object to a resolution of a shareholders meeting on merger or division of the company to acquire their shares by the company;
- (V) use of shares for conversion of convertible corporate bonds issued by the listed company; and
- (VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the board of directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A listed company that repurchases its own shares shall perform their obligation of information disclosure according to the provisions of the PRC Securities Law. A listed company acquires its own shares under any of the circumstances stipulated in item (III), item (V) and item (VI) hereof, shall be carried out trading in a public and centralized manner.

A company shall not accept its own shares as the subject matter of a mortgage.

Transfer of Shares

Shares held by shareholders may be transferred legally. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of registered shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or administrative regulations. Following the transfer of registered shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders meeting or five days prior to the base date on which the company decides to distribute dividends. However, where there are separate provisions by law on the alternation of registration in the register of members of listed companies, those provisions shall prevail. The transfer of bearer share certificates shall become effective upon the delivery of the certificates to the transferee by the shareholder.

According to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing and trading on the Stock Exchange. Where there are other provisions in laws, administrative regulations or the securities regulatory authority under the State Council regarding the transfer of shares held by shareholders and the actual controllers of listed companies, such provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on the Stock Exchange, nor six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and senior management.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its unlisted domestic shares applying to convert its unlisted domestic shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

- (I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;

- (II) to petition the people's court to revoke any resolution of a shareholders meeting, a shareholders meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the articles of association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;
- (III) to transfer his/her shares legally;
- (IV) to attend or appoint a proxy to attend shareholders meetings and exercise the voting rights;
- (V) to inspect and copy the articles of association of the company, share register, the minutes of shareholders meetings, board resolutions, resolutions of the supervisory committee and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;
- (VI) to receive dividends in respect of the number of shares held;
- (VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (VIII) any other shareholders' rights stipulated in laws, administrative regulations, other normative documents and the articles of association of the company.

The obligations of shareholders include the obligation to abide by the articles of association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association of the company.

Pursuant to the Overseas Listing Trial Measures, a domestic company offering and listing overseas shall file with the CSRC as per the requirement of these Measures, submit relevant materials that contain a filing report and a legal opinion, and provide truthful, accurate and complete information on the shareholders, etc.

Shareholders Meetings

The shareholders meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders meeting may exercise its powers:

- (I) to elect or replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;

- (II) to consider and approve the reports of the board of directors;
- (III) to consider and approve the reports of the supervisory committee;
- (IV) to consider and approve the company's profit distribution and loss recovery proposals;
- (V) to decide on any increase or reduction of the company's registered capital;
- (VI) to decide on the issue of corporate bonds;
- (VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (VIII) to amend the articles of association of the company;
- (IX) to exercise any other authority stipulated in the articles of association of the company.

The shareholders meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders meeting is required to be held once a year. An extraordinary shareholders meeting is required to be held within two months upon the occurrence of any of the following:

- (I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the articles of association of the company;
- (II) the total outstanding losses of the company amounted to one-third of the company's total paid-in share capital;
- (III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary shareholders meeting;
- (IV) the board of directors deems necessary;
- (V) the supervisory committee so proposes; or
- (VI) any other circumstances as provided for in the articles of associations of the company.

A shareholders meeting is convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of the directors shall preside over the meeting. If the board of directors is unable to or fails to perform its duty of convening the shareholders meeting, the supervisory committee shall convene and preside over such meeting in a timely manner; if the supervisory committee fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may convene and preside over such meeting on their own initiative.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders meeting is convened. Notice of the extraordinary shareholders meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the board of directors ten days before the shareholders meeting is held. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholders meeting for deliberation. The contents of the interim proposal shall fall within the scope of powers of the shareholders meeting, and the proposal shall provide clear agenda and specific matters on which resolutions are to be made. The shareholders meeting shall not make any resolution in respect of any matter not set out in the above-mentioned two types of notices.

According to the PRC Company Law, shareholders, except the holders of class shares, present at shareholders meetings shall have one vote for each share they hold, save that the company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders meeting according to the provisions of the articles of association of the company or a resolution of the shareholders meeting. Under the accumulative voting system, when the shareholders meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively. Under the PRC Company Law, the passing of any resolution at the shareholders meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholders meeting except in cases of proposed amendments to the articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholders meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company and the other matters must be approved by way of resolution of the shareholders meeting, the board of directors shall convene a shareholders meeting promptly to vote on such matters by

shareholders meeting. A shareholder may entrust a proxy by a power of attorney to attend shareholders meetings on his or her behalf, and the power of attorney shall specify the scope of the exercise of the voting rights.

Minutes shall be prepared in respect of matters considered at the shareholders meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A company shall have a board, which shall consist of over three members. In the case of a company with three hundred or more employees, except when a supervisory committee has been established including employee representatives among its members as required by law, members of the board of directors may include staff representatives, who shall be democratically elected by the company's staff at a staff representative assembly, general staff meeting or otherwise. The term of office of the directors shall be provided for by the articles of association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise the following powers:

- (I) to convene shareholders meetings and report on its work to the shareholders meetings;
- (II) to implement the resolutions of the shareholders meetings;
- (III) to decide on the company's operational plans and investment proposals;
- (IV) to formulate the company's proposals for profit distribution and recovery of losses;
- (V) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- (VI) to formulate proposals for the merger, division, dissolution of the company or change in the form of the company;
- (VII) to decide on the setup of the company's internal management organs;

- (VIII) to decide on the appointment or dismissal of the manager of the company and his/her remuneration matters, and as nominated by the manager, to decide on the appointment or dismissal of the company's deputy general manager and financial officer and his/her remuneration matters;
- (IX) to formulate the company's basic management system;
- (X) other authority stipulated in the articles of association or granted by the shareholders meeting.

Meetings of the board of directors shall be convened at least twice a year. Notice of a meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The board of directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors. A meeting of the board of directors shall be held only if more than one-half of the directors are present. Resolutions of the board of directors shall be passed by more than one-half of all directors. The board of directors will vote on a one-person-one-vote basis. The directors shall attend a board meeting in person. If a director is unable to attend for any reason, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf. The board of directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the board of directors violates any laws, administrative regulations, articles of association or resolutions of the shareholders meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

- (I) devoid of or with restricted civil conduct ability;
- (II) within five years after serving a sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving a sentence and being deprived of political rights for crime; or less than two years have elapsed since the expiration of the probation period for suspended sentence;

- (III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;
- (IV) within three years after the company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating the law on which the person is held accountable; and
- (V) who is listed as a dishonest judgment debtor subject to enforcement by the people's court for being liable for a large amount of unliquidated mature debts.

If the election or appointment of a director violates the foregoing provisions, such election, appointment or engagement shall be invalid. If any of the foregoing circumstances occur during the term of office of a director, the company shall dismiss the duties of such director.

Under the PRC Company Law, the board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with the approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

A joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the supervisory committee by the PRC Company Law, and shall not establish a supervisory committee or supervisors. The audit committee shall consist of three or more members, a majority of whom shall not hold any position in the company other than that of director, and shall not have any relationship with the company that may affect their independent and objective judgment. Employee representatives who are members of the board of directors may become members of the audit committee. Resolutions made by a meeting must be passed by more than half of all members to take effect. Each member shall have one vote for voting on resolutions of the audit committee. The proceedings and voting procedures of the audit committee shall be governed by the articles of association, except as provided in the PRC Company Law.

The company may set up other committees under the board of directors in accordance with the provisions of the articles of association.

Supervisory Committee

A joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the supervisory committee by the PRC Company Law, without establishing a board of supervisor or supervisor. A joint stock limited company with a smaller scale or fewer shareholders may appoint one supervisor without establishing a supervisory committee to exercise the functions and powers prescribed for the supervisory committee by the PRC Company Law. Other than the aforesaid two circumstances, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory committee shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The supervisory committee shall appoint a chairman and may appoint a vice chairperson(s). The chairman and the vice chairman of the supervisory committee shall be elected by more than half of all the supervisors. Directors and senior management shall not act concurrently as supervisors.

The chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or is not performing his/her duties, the vice chairman of the supervisory committee shall convene and preside over supervisory committee meetings. Where the vice chairman of the supervisory committee is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over meetings of the supervisory committee.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

Meetings of the supervisory committee shall be convened at least every six months. Supervisors may propose the convening of extraordinary meetings of the supervisory committee.

The supervisory committee may exercise its powers:

- (I) to review the company's financial position;

- (II) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or resolutions of the shareholders meetings;
- (III) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;
- (IV) to propose the convening of extraordinary shareholders meetings and to convene and preside over shareholders meetings when the board of directors fails to perform the duty of convening and presiding over shareholders meetings under the PRC Company Law;
- (V) to submit proposals to the shareholders meetings;
- (VI) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (VII) to exercise any other authority stipulated in the articles of association of the company.

The supervisory committee shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the supervisors attending the meeting shall sign the minutes.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board of directors. The supervisory committee may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and Senior Management

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager, who is responsible to the board of directors, may exercise his/her functions and powers pursuant to the articles of association or the authorization of the board of directors. The manager shall attend board meetings. The board of directors can appoint a director to act as manager concurrently.

Pursuant to the relevant provisions of the PRC Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors, General Manager and Other Senior Management

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and articles of association, and carry out their duties of loyalty and diligence to the Company. Directors, supervisors and senior management are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

In the meantime, directors, supervisors and senior management are prohibited from:

- (I) embezzling company property, or misappropriation of the company's capital;
- (II) depositing company funds into accounts under their own names or the names of other individuals;
- (III) using his authority to engage in bribery or accept other illegal income;
- (IV) accepting commissions from transactions between others and the company for their own benefit;
- (V) unauthorized divulgence of confidential information of the company; and
- (VI) other acts in violation of their duty of loyalty to the company.

Income generated by directors or senior management in violation of the aforementioned shall be returned to the company.

A director, supervisor or senior management who contravenes the law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish relevant facts and information to the supervisory committee without obstructing the exercise of functions and powers by the supervisory committee or supervisors.

Where the directors and senior management violate laws, administrative regulations or the articles of association in the performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court. Where the supervisors violate the laws, administrative regulations or the articles of association in the performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in

writing that the board of directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the supervisory committee or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe on the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court under the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the articles of association, damaging the interests of shareholders, the shareholders may file a lawsuit with the people's court.

The Overseas Listing Trial Measures stipulates that the filling materials for overseas listing of domestic companies shall be true, accurate and complete, and shall not contain false records, misleading statements or material omissions. Domestic companies and their controlling shareholders, the actual controllers, directors, supervisors and senior management shall fulfill their obligations of information disclosure in accordance with the law, be honest, trustworthy, diligent and responsible and ensure that the filling materials are true, accurate and complete.

Finance and Accounting

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by an accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's profit after tax, the company shall set aside 10% of its profit after tax for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profit after tax, it may, upon passing a resolution at a shareholders meeting, make further allocations from its profit after tax to the discretionary common reserve fund. After the company has made up its losses and made allocations to its

discretionary common reserve fund, the remaining profit after tax shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association.

Profits distributed to shareholders by a resolution of a shareholder's meeting or the board of directors before losses have been made up and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the company. In case of losses caused to the Company, shareholders and responsible directors, supervisors and senior management members shall be liable for compensation. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

Proceeds from shares issued by a company at a price above their nominal value and other revenues required by the financial departments of the State Council to be stated as capital reserve shall be accounted for as the capital reserve fund of the company.

The common reserve fund of a company shall be applied to make up the company's losses, expand its production and operations or convert it into an increase in its capital. To make up for the losses with the reserve, the company shall first use discretionary reserve and statutory reserve; if the losses still cannot be made up, the capital reserve may be used in accordance with the provisions. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's assets shall not be deposited in any account opened under the name of an individual.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined at the shareholders meeting, the board of directors or the supervisory committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders meeting, the board of directors or the supervisory committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or misrepresentation of information.

The Overseas Listing Trial Measures require that securities companies and law firms conduct adequate verification of the filing materials of overseas listed enterprises.

Profit Distribution

According to PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided. At the same time, the Overseas Listing Trial Measures stipulate that domestic companies may raise funds and pay dividends in foreign currencies or RMB for overseas listings.

Amendment to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders meeting regarding any amendment to a company's articles of association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. Pursuant to the Guidelines for the Articles of Association, if an amendment to the articles of association approved by the resolution of the shareholders meeting is subject to approval from the competent authority, it shall be submitted to the competent authority for approval; If it involves company registration matters, the change registration shall be handled in accordance with the law. If an amendment to the articles of association is required to be disclosed in accordance with laws and regulations, the relevant amendment shall be announced in accordance with the regulations.

Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) upon expiry of the term of business stipulated in the articles of association or occurrence of other circumstances of dissolution stipulated in the articles of association;
- (II) the shareholders meeting has resolved to dissolve the company;
- (III) the company is dissolved by reason of its merger or division;
- (IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (V) where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If the company has any grounds for dissolution specified in the preceding paragraph, it shall publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

In the event of (I) and (II) above, provided that the company has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the shareholders meeting. The amendment of the articles of association in accordance with provisions set out above and the resolution of the shareholders meeting on the aforesaid events shall require the approval of more than two-thirds of the voting rights of shareholders attending a shareholders meeting.

Where the company is dissolved under the circumstances set forth in paragraphs (I), (II), (IV) or (V) above, it should establish a liquidation committee within 15 days of the date on which the dissolution matter occurs and commence the liquidation. The liquidation committee shall be composed of directors unless otherwise stipulated in the articles of association or appointed by a resolution of the shareholders meeting. If a liquidation committee is not established within the prescribed period, the stakeholders may file an application with a people's court to appoint relevant personnel to form a liquidation committee to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise the following powers during the liquidation:

- (I) to verify the company's property and to prepare a balance sheet and a property inventory;
- (II) to inform creditors by notice or announcement;
- (III) to deal with any outstanding business of the company in relation to the liquidation;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the company's remaining assets after its debts have been paid off; and
- (VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient property to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation of the company, the liquidation committee shall prepare a liquidation report and submit it to the shareholders meeting or a people's court for confirmation and the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to discharge their duties in good faith and perform their obligations in compliance with laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default. Furthermore, where a company is declared bankrupt according to laws, bankruptcy liquidation shall be processed in accordance with the relevant laws on corporate bankruptcy.

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

- (I) the listing and financing fall under specific prohibiting in the laws, administrative regulations, and relevant national provisions;
- (II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;
- (III) the domestic company and its controlling shareholder(s), the actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;
- (IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or the actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for an initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

- (I) change in controlling rights;
- (II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (III) changing the listing status or transferring the listing board;
- (IV) voluntary or compulsory termination of a listing.

Pursuant to the Notice on Administrative Arrangements for Filing Concerning Overseas Issuance and Listings by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which was promulgated by the CSRC on February 17, 2023, and came into effect on

the same date, a domestic enterprise which has been issued and listed overseas before March 31, 2023, is defined as stock enterprise (the “stock enterprise”). The stock enterprise shall not need to file immediately, but the enterprise shall file as required if it involves the file matters such as refinancing subsequently. For the purpose of the domestic enterprise that has been granted an approval letter by the CSRC for the overseas public raised shares and listing (including the issuance of additional shares) by a joint stock limited company, the domestic enterprise may continue to promote overseas issuing and listing upon the expiration of the validity of the approval letter. The domestic enterprise shall file as required if it has not completed overseas issuing and listing upon the expiration of the validity of the approval letter.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023, and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas-listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people’s court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people’s court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers within 30 days. A creditor may, within 30 days of receipt of the notification, or 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees.

In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company. In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies (unless a written agreement is reached between the company and creditors regarding the repayment of debts prior to the division) unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to the division.

Changes in the business registration of the companies as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

The PRC Securities Laws, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities-related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The PRC Securities Law took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic companies issuing shares overseas directly or indirectly or listing their shares overseas shall

comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**PRC Arbitration Law**”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009 and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the “**New York Convention**”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the recognition and enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the

territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People's Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of mainland China finds that enforcement in mainland China of the ruling made by the Hong Kong arbitral authority will violate the public interests of mainland China, execution of the ruling may be ignored.

Judicial Judgment and its Enforcement

Pursuant to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”) promulgated by the Supreme People's Court on July 3, 2008, and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of mainland China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. “Choice of court agreement in written” refers to a written agreement defining the exclusive jurisdiction of either the People's Court of China or the court of the Hong Kong Special Administrative Region to resolve the dispute with a particular legal relation that occurred or is likely to occur by the party concerned. Therefore, the party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meets certain conditions of the aforementioned regulations. On January 14, 2019, a further arrangement was reached between Hong Kong Special Administrative Region and the Supreme People's Court, Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which became effective and replace the Arrangement on January 29, 2024, privileged that “Written Agreement on

Jurisdiction” reached under the Arrangement before January 29, 2024 will still apply. This New Arrangement further stipulates the scope and content of judgments applicable to the reciprocal recognition and enforcement and corresponding procedures and methods for applying, the circumstances concerning review, non-recognition and enforcement upon the jurisdiction of the court of first instance and the means of remedy. Non-monetary judgments and judgments on some intellectual property cases are included in the reciprocal recognition and enforcement of judgments in accordance with this New Arrangement.

Certain Material Differences between the PRC and Hong Kong Company Law

The Hong Kong laws applicable to a company incorporated in Hong Kong are based on the Companies Ordinance and the Companies (Winding up and Miscellaneous Provisions) Ordinance and are supplemented by common law and the rules of equity that apply to Hong Kong. As a joint stock limited company established in the PRC, the Company are governed by the PRC Company Law and all other applicable rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of material differences between Hong Kong laws applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be a comprehensive comparison.

Corporate Existence

Under the Hong Kong laws, a company with share capital shall be incorporated by the Registrar of Companies in Hong Kong which issues a certificate of incorporation, and the company will acquire an independent corporate existence. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company’s articles of association do not contain such pre-emptive provisions.

Pursuant to the Company Law, a joint stock limited company may be incorporated by promotion or public subscription.

Hong Kong laws do not prescribe any minimum capital requirements for a Hong Kong company.

Share Capital

Hong Kong laws do not provide for authorized share capital. The share capital of companies in Hong Kong would be issued share capital. The full proceeds of a share issue will be credited to share capital and become the company’s share capital. The directors of companies in Hong Kong may, with the prior approval of the shareholders if required, issue new shares of the company.

The PRC Company Law does not provide for authorized share capital. The registered capital shall be our issued share capital. Any increase in registered capital shall be approved at the shareholders meeting and filed with the relevant Chinese government and regulatory authorities.

Pursuant to the PRC Company Law, shareholders may provide capital contribution in the form of money or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully. Non-monetary property used for capital contributions shall be evaluated and verified, and shall not be overvalued or undervalued. Hong Kong laws do not prescribe any requirements for companies in Hong Kong.

Restrictions on Transfer of Shares

Under the PRC Company law, a joint stock limited company's domestic shares, which are denominated and subscribed for in Renminbi, in the share capital, generally may only be subscribed for and traded by the State, PRC legal persons, natural persons or other investment institutions permitted by laws and regulations. Overseas listed shares, which are denominated in Renminbi but subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau, Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. If H shares are qualified securities of the Hong Kong Stock Connect, the said shares may also be subscribed for or traded by Chinese investors based on a limited amount according to the rules of the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. After the filing procedures of the full circulation application with the CSRC are completed, the domestic unlisted shares of H-share listed companies may be listed and circulated on the Hong Kong Stock Exchange.

Pursuant to the PRC Company Law, the shares issued by the company prior to its public offering shall not be transferred within one year from the date of listing on the stock exchange. Shares of a joint stock limited company held by its directors, supervisors and senior management transferred each year during their term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot be transferred within one year from the listing date of the shares, and also cannot be transferred within half a year after the said personnel has left office. The articles of association of a company may set other restrictive requirements on the transfer of a company's shares held by its directors, supervisors and senior management of the company.

There are no such restrictions on shareholdings and transfers of shares under Hong Kong laws apart from (i) the six-month lockup on the company's issue of additional shares and (ii) the 12-month lockup on controlling shareholders' disposal of shares, upon listing.

Financial Assistance for the Purchase of the Shares

Pursuant to the PRC Company Law and the Guidelines for the Articles of Association, the company (including the company's subsidiaries) shall not provide any financial assistance, in the form of gift, advance, guarantee, compensation or loans, to any person that purchases or plans to purchase the shares of the Company, except for the implementation of the company's employee stock option plans. For the interests of the company, upon a resolution of the shareholders meeting, or a resolution of the board of directors in accordance with the articles of association or the authorization of the shareholders meeting, the company may provide financial assistance to other persons for the acquisition of shares in the company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the board of directors shall be approved by more than two-thirds of all directors.

Notice of Shareholders Meeting

Under the PRC Company Law, notices of an annual general meeting and an extraordinary shareholders meeting of a joint stock limited company must be given to shareholders 20 days and 15 days before the meeting, respectively. For a limited liability company incorporated in Hong Kong, the minimum period of notice is 14 days in the case of shareholders meetings other than an annual general meeting and 21 days in the case of an annual general meeting.

Quorum for Shareholders Meetings

Under the Hong Kong company law, the quorum for a shareholders meeting is two members unless the articles of association of the company otherwise provide. For a single-member company, one member is a quorum. Under the PRC Company Law, a limited liability company and a joint stock limited company with only one shareholder do not establish a shareholders meeting. For a company with a shareholders meeting, the PRC Company Law does not specify any quorum requirement for a shareholders meeting.

Voting at Shareholders Meetings

Under the PRC Company Law, the passing of any resolution of a shareholders meeting requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders meeting or by proxy except in cases of resolutions on amendments to a company's articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights represented by the shareholders who attend the shareholders meeting or by proxy.

Under Hong Kong law, (i) an ordinary resolution may be passed by a simple majority of affirmative votes of the shareholders who attend the shareholders meeting in person or by proxy, and (ii) a special resolution may be passed by no less than three-fourths of affirmative votes of the shareholders who attend the shareholders meeting in person or by proxy.

Variation of Class Rights

The PRC Company Law has no special provision relating to variation of class rights. However, the PRC Company Law states that the State Council can promulgate separate regulations relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except:

- (I) if there are provisions in the articles of association relating to the variation of those rights, then such provisions shall prevail;
- (II) if there are no provisions in the articles of association, (a) with the consent in writing from at least three-fourths of the total voting rights of shareholders of the relevant class; or (b) be approved by a special resolution passed at a separate meeting of shareholders of the relevant class.

Directors

The PRC Company Law, unlike Hong Kong law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' rights to carry out major disposals or companies providing certain benefits, or prohibitions against compensation for loss of office without shareholders' approval. The PRC Company Law restricts the directors of a listed company who have interests or associations in the enterprises involved in the resolution of the board meetings from voting on the said resolution. All the above provisions have been incorporated in the articles of association, which are summarized in Appendix V.

Supervisors

Under the PRC Company Law, a joint stock limited company's board of directors and general manager are subject to the supervision and inspection of the supervisory committee. There is no mandatory requirement for the establishment of a supervisory committee for a company incorporated in Hong Kong. Supervisors are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the articles of association. Supervisors shall faithfully perform their obligations to the company and should take measures to avoid any conflict between their own interests and the interests of the company, and should

not use their powers to gain an improper advantage. Supervisors also owe a duty of diligence to the company and shall exercise the reasonable care normally expected of a manager in the best interests of the company in the performance of their duties.

Derivative Action by Minority Shareholders

Hong Kong law permits minority shareholders to initiate a derivative action on behalf of all shareholders against directors who have committed a breach of their fiduciary duties to the company if the directors control a majority of votes at a shareholders meeting, thereby effectively preventing a company from suing the directors in breach of their duties in its own name.

Pursuant to the PRC Company Law, in the event that the directors and senior management violate laws, administrative regulations or the articles of association in the performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court. If the supervisors are involved in the aforesaid circumstance, the above-said shareholders may send a written request to the board of directors to initiate proceedings in the people's court. If the supervisory committee or the board of directors refuses to initiate such proceedings upon receipt of such written request from the shareholders, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure to initiate immediate proceedings may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the court in their own name.

Pursuant to the Guidelines for the Articles of Association, if the directors or senior management violate laws, administrative regulations or the articles of association in the performance of duties, resulting in losses to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people's court. If the supervisory committee violates laws, administrative regulations or the articles of association in the performance of duties, resulting in losses to the company, shareholders may request in writing the board of directors to initiate proceedings in the people's court. If directors or senior management violate any laws, administrative regulations or the articles of association, resulting in damages to the interests of shareholders, shareholders may initiate proceedings in the people's court.

Protection of Minorities

Pursuant to Hong Kong law, If the court deems it fair and just to liquidate the company, it may liquidate the company, and a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his/her interests may petition to the court to either wind up the company or make an appropriate order

regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong.

The PRC Company Law stipulates that if the company's operation and management are seriously distressed and continuously existing will cause significant losses to shareholders' interests and cannot be resolved through other channels, shareholders holding more than 10% of the company's shareholders' voting rights may request the people's court to dissolve the company. However, the Guidelines for the Articles of Association stipulate that the controlling shareholder and ultimate controller of the company have a duty of prudence towards the company and its public shareholders. The controlling shareholder shall strictly exercise the rights as an investor, and shall not impair the legitimate rights and interests of the company and the publicly issued shareholders through profit distribution, asset reorganization, overseas investment, capital occupation and loans and guarantees, and shall not impair the interests of the company and the publicly issued shareholders by abusing its controlling status in the company.

Financial Disclosure

Pursuant to the PRC Company Law, a joint stock limited company is required to make its financial reports available at the company for inspection by shareholders 20 days before its annual general meeting. In addition, a company for which the shares are publicly offered must publish its financial report in accordance with the PRC Company Law. A company shall prepare its financial and accounting reports at the end of each fiscal year, and submit the same to be audited by certified public accountants as required by law.

The Companies Ordinance requires a company to send to every shareholder a copy of its balance sheet, auditors' report and directors' report, which are to be presented at its annual general meeting, not less than 21 days before such meeting.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect the company's articles of association, minutes of the shareholders meetings and financial and accounting reports. Under the articles of association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and directors which is similar to the shareholders' rights of Hong Kong companies under Hong Kong law.

Dividend and Receiving Agent

Under Hong Kong law, dividends once declared are debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC law, this limitation period is three years.

Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to Section 673 and Section 674 of the Companies Ordinance, which requires the sanction of the court. In addition, subject to the shareholders' approval, intra-group wholly-owned subsidiaries may also be amalgamated horizontally or vertically under the Companies Ordinance.

According to the laws in China, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholders meeting.

Dispute Arbitration

In Hong Kong, disputes between shareholders and the company or its directors, managers and other senior management may be resolved through the court. Under the PRC Company Law, shareholders may sue the directors, supervisors, managers and other senior management of the company. Shareholders may sue the company, and the company may sue its shareholders, directors, supervisors, managers and other senior management.

Statutory Deduction

Under the PRC Company Law, a joint stock limited company shall transfer a specified percentage of after-tax profits as a statutory common reserve fund. There are no corresponding provisions under Hong Kong law.

Remedies of the Company

Under the PRC Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management shall be liable for compensation. In addition, the company's remedies are similar to those available under Hong Kong law (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management personnel), in line with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Fiduciary Duties

In Hong Kong, there is the common law concept of the fiduciary duty of directors. Under the PRC Company Law, directors, supervisors and senior management of a company shall have the duty of loyalty and diligence. According to the Guidelines of the Articles of Association, directors shall not violate the provisions of the articles of association or enter into any contract or transaction with the company without the consent of the shareholders meeting.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days under certain circumstances) in a year, whereas, as required by the PRC Company Law, change of the register of shareholders arising from share transfer shall not be registered within 20 days before convening of a shareholders meeting or within 5 days prior to the base date on which the company decides to distribute dividends.

Any person wishing to have detailed advice on PRC law or the laws of any jurisdiction is recommended to seek independent legal advice.

OVERVIEW

This appendix contains a summary of the main provisions of the Articles of Association. The main purpose of this appendix is to give potential investors an overview of the Articles of Association of the Company, and it may not contain all the information that is important for potential investors. The full Chinese text of the Articles of Association is available for inspection as mentioned in the section headed Appendix VIII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display in this document.

SHARES**Share Issuance**

The shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in a transparent, fair and equal manner, and shall rank *pari passu* with the shares of the same class.

For shares issued at the same time and within the same class, the conditions and price per share must be the same; for the shares subscribed by an entity or an individual, the price per share paid must be the same.

All the shares issued by the Company are ordinary shares, and are denominated in RMB, with a nominal value of RMB0.10 per share.

Increase, Reduction and Repurchase of Shares***Increase in registered capital***

The Company may adopt the following methods to increase its capital based on its business and development needs and in accordance with the provisions of laws, regulations and the securities regulatory rules of the place where the Company's shares are listed after resolutions approved by the shareholders meeting:

- (1) public offering of shares;
- (2) private placement of shares;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of the common reserve fund to additional share capital;
- (5) other means as permitted by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and other relevant competent authorities such as the China Securities Regulatory Commission, CSRC and other competent authorities.

Reduction in registered capital

The Company may decrease its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the procedures stipulated in the Company Law, other related regulations and the Articles of Association.

When reducing its registered capital, the Company must prepare a balance sheet and a property inventory.

The Company shall notify its creditors within 10 days from the date of the resolution on the registered capital reduction and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. A creditor has the right, within 30 days from the receipt of such notice; or, for creditors who do not receive the notice, within 45 days from the date of the announcement, to request the Company to pay its debts or to provide corresponding guarantee for such debts.

Shares repurchase

The Company shall not repurchase its shares, except in one of the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) merging with another company that holds shares in the Company;
- (3) using shares for employee stock ownership plans or share incentives;
- (4) requesting the Company to purchase shares from shareholders who voted against any resolution passed at a shareholders meeting of the Company regarding merger or division of the Company;
- (5) the shares are to be used to convert corporate bonds issued by the Company that can be converted to shares;
- (6) it is necessary for the Company to maintain corporate value and shareholders' interests;
- (7) other circumstances permitted by the laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed.

The Company's acquisition of the shares of the Company can be made by public and centralized transaction, or other methods permitted by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and other relevant competent authorities such as the CSRC.

The Company's acquisition of the shares of the Company due to the circumstances stipulated in items (1) and (2) above shall be subject to a resolution of the shareholders meeting. The Company's acquisition of the shares of the Company due to the circumstances stipulated in items (3), (5) and (6) above may, pursuant to the Articles of Association or the authorization of the shareholders meeting, be subject to a resolution of a Board meeting at which more than two-thirds of directors are present.

After the Company purchases its own shares pursuant to the aforesaid provisions, under the circumstance stipulated in item (1) above, the shares of the Company so acquired shall be canceled within ten days from the date of acquisition; under the circumstances stipulated in either item (2) or item (4) above, the shares of the Company so acquired shall be transferred or canceled within six months; under the circumstances stipulated in item (3), (5) or (6), the total shares of the Company held by the Company shall not exceed 10% of total shares already issued by the Company, and shall be transferred or canceled within three years.

Share transfer

The Company's shares can be transferred in accordance with laws.

The Company does not accept its own shares as the collateral of pledge.

Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the day on which the shares of the Company are listed and traded on the stock exchange. Where laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or and other relevant competent authorities such as the CSRC otherwise provide for the transfer of shares of the Company held by shareholders or actual controllers of the Company, such provisions shall prevail.

The Directors, Supervisors and senior management personnel of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of their total shareholding of the same class of the Company's shares during their terms of office; the shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The shares they held in the Company also cannot be transferred within half a year after such persons have left office.

SHAREHOLDERS AND SHAREHOLDERS MEETINGS

Shareholders

Register of shareholders

The Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities, and such register of shareholders shall be sufficient evidence substantiating that the shareholders hold the shares of the Company.

The Company shall guarantee the register of shareholders of foreign shares listed overseas is open to inspections during business hours by the shareholders without charge at the appointed overseas agent(s), provided that the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Shareholders of the same class shall enjoy the same rights and bear the same obligations.

When the Company convenes a shareholders meeting, distributes dividends, conducts liquidation or engages in other activities that require the confirmation of the identity of shareholders, the Board or the convener of the shareholders meeting shall determine the record date. Shareholders whose names appear on the register of shareholders after the close of trading on the record date shall be the shareholders entitled to relevant rights and interests.

If the Hong Kong Listing Rules make provisions regarding the period during which the registration of share transfers is suspended prior to the convening of a shareholders meeting or the record date determined by the company for dividend distribution, such provisions shall be followed.

Rights and obligations of shareholders

The shareholders of the Company shall enjoy the following rights:

- (1) obtaining dividends and any other form of profit distribution based on the proportion of shares held by them;
- (2) requiring, convening, chairing, attending or appointing a proxy to attend and speak at a shareholders meeting pursuant to the law and exercising the corresponding rights to vote, unless otherwise required under the Hong Kong Listing Rules for a separate shareholder to abstain from voting on a particular matter;
- (3) supervising the Company's operations, proposing recommendations or raising questions;
- (4) transferring, gift or pledging shares held by them pursuant to laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (5) inspecting and duplicating the Articles of Association, share register, meeting minutes of a shareholders meeting, resolutions of the Board meetings and financial and accounting reports, and qualified shareholders may also inspect the Company's accounting books and vouchers;
- (6) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the quantity of shares held by them;

- (7) requiring the Company to repurchase the shares of shareholders objecting to resolutions of the shareholders meeting concerning merger or division of the Company;
- (8) shareholders who individually or jointly hold more than 1% of the Company's shares have the right to propose temporary motions and submit them in writing to the Board ten days before the shareholders meeting;
- (9) other rights stipulated by laws, administrative regulations, departmental rules, the security regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If any shareholder is required to abstain from voting on any specific resolution or is restricted to voting only for (or against) any specific resolution, any votes cast by such shareholder or its/his/her proxy in violation of the requirements or restrictions shall not be counted.

If a shareholder intends to access the aforementioned information or request any data, such shareholder shall provide the Company with written documentation evidencing the class and quantity of the shares held by it/him/her, the Company shall, upon verification of the shareholder's identity, provide the relevant information or data according to the shareholder's request.

If any resolutions adopted by the shareholders meeting or the Board of the Company violate laws or administrative regulations, shareholders shall have the right to petition the People's Court to declare such resolution null and void.

If the convening procedures or voting methods of a shareholders meetings or the Board meetings violate laws, administrative regulations, or the Articles of Association, or if the content of a resolution contravenes the Articles of Association, shareholders shall have the right to petition the People's Court to rescind such resolution within 60 days from the date the resolution is adopted, provided that the procedural defects in convening the meeting or the voting methods are minor and have no material impact on the resolution.

A shareholder who is not notified to attend the shareholders meeting may, within 60 days from the date they know or should have known about the resolution, petition the People's Court to rescind the resolution. In such case, if the right to rescind is not exercised within one year from the date the resolution was adopted, such right shall lapse.

If directors or senior management, other than those being designated as the members of the Audit Committee, violate laws, administrative regulations, or the Articles of Association in the performance of their duties, thereby causing loss to the Company, shareholders holding 1% or more of the Company's shares individually or jointly for 180 consecutive days or longer may submit a written request to the audit committee to file a lawsuit with the People's Court. If the members of the audit committee violate the forgoing provisions and cause loss to the Company,

shareholders may submit a written request to the Board to initiate legal action to the People's Court. If the audit committee or the Board refuses to file a lawsuit upon receiving the written request from the shareholders specified above, fails to initiate legal proceedings within 30 days of receiving the request, or fails to file a lawsuit immediately in case of emergency will cause irreparable damage to the interests of the Company, the aforementioned shareholders are entitled to directly file a lawsuit in their own name with the People's Court to protect the Company's interests. If any person intervenes with the lawful interests of the Company resulting in losses to the Company, the aforementioned shareholders are entitled to file a lawsuit with the People's Court in accordance with the preceding paragraphs.

If directors, supervisors, or senior management of a wholly-owned subsidiary of the Company commit acts specified in the preceding paragraph, or if a third party infringes upon the lawful interests of such subsidiary, thereby causing losses, shareholders holding 1% or more of the Company's shares individually or jointly for 180 consecutive days or longer may, in accordance with Paragraphs 1-3 of Article 189 of the Company Law, submit a written request to require such wholly-owned subsidiary's Supervisory Board or Board to file a lawsuit with the People's Court, or such shareholders may directly initiate legal proceedings in their own name with the People's Court pursuant to the requirement in the preceding paragraph.

If directors or senior management violate laws, administrative regulations, or the provisions of the Articles of Association, thereby harming the rights and interests of shareholders, the shareholders may file a lawsuit with the People's Court.

Shareholders of the Company shall undertake the following obligations:

- (1) comply with laws, administrative regulations, and the Articles of Association;
- (2) pay the subscription monies according to the shares subscribed and the method of subscription;
- (3) except as otherwise provided for by laws and regulations, no share withdrawal shall be permitted;
- (4) no rights as a shareholder shall be abused to injure the interests of the Company or other shareholders;
- (5) other obligations stipulated by laws, administrative regulations and the Articles of Association

If a shareholder of the Company abuses shareholder rights and causes damage to the Company or other shareholders, it/he/she shall be legally liable for compensation. If a shareholder of the Company abuses the Company's independent legal person status and shareholder's limited liability to evade debts, thereby severely prejudicing the interests of the Company's creditors, such shareholder shall bear joint and several liability for the Company's debts.

Restrictions on rights of the controlling shareholders

The controlling shareholders and the actual controllers of the Company shall not use their connected (related) relations to damage the interests of the Company. If the violation causes losses to the Company, it shall be liable for compensation.

The controlling shareholders or the actual controllers that does not serve as a director but de facto manages the Company's affairs shall subject to the provisions of these Articles of Association regarding the directors' fiduciary duties and duty of diligence. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholders shall not damage the legitimate rights and interests of the Company and public shareholders by means of non-arm's length connected transactions, profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its/his/her controlling status to damage the interests of the Company and public shareholders.

Where the controlling shareholders or the actual controllers pledge the shares of the Company held or actually controlled by them, they shall maintain control of the Company and the stability of its production and operation.

Shareholders meeting

The shareholders meeting is the organ of authority of the Company and shall exercise the following functions and powers in compliance with the laws:

- (1) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (4) to resolve the increase or reduction of the registered capital of the Company;
- (5) to resolve our Company's issuance of bonds or any class of shares, warrants and other similar securities as well as the listing;
- (6) to resolve our Company's merger, division, dissolution, liquidation or change of its corporate form;
- (7) amendments to the Articles of Association, the functions of the shareholders meeting and the Board, and their corresponding voting matters;
- (8) to resolve the appointment and dismissal of the accounting firm of the Company;

- (9) to consider and approve the major transaction including the Company's purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company as stipulated in the Articles of Association to be considered at the shareholders meeting.
- (10) to consider and approve the external guarantee matters which shall be reviewed at the shareholders meeting as stipulated in the Articles of Association;
- (11) to consider and approve the connected transactions between the Company and the related person in the amount of over RMB30 million and representing 5% or more of the absolute value of the Company's latest audited net asset value (excluding the receipt of cash assets or provision of guarantees by the Company, including cumulative amounts of related party (connected) transactions regarding the same subject matter or with the same related person within any consecutive 12-month period)
- (12) to consider the share incentive plans and employee stock ownership plans;
- (13) to consider other matters required by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, or the Articles of Association to be determined by the shareholders meeting.

Shareholders meetings are divided into annual meetings and extraordinary meetings. The annual meeting shall be convened once a year. The extraordinary meeting shall be convened on an ad hoc basis.

The Company shall convene an extraordinary shareholders meeting within two months from the date of occurrence of any of the following circumstances:

- (1) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) when shareholders individually or jointly holding 10% or more of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) so request;
- (4) when deemed necessary by the Board;
- (5) when proposed by the audit committee;
- (6) when more than half of independent non-executive directors propose to convene the extraordinary shareholders meeting;

- (7) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Summoning of shareholders meetings

More than half of the independent non-executive directors shall have the right to propose to the Board to convene an extraordinary shareholders meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether or not to convene the extraordinary shareholders meeting within ten days after receiving the proposal from the independent non-executive directors.

If the Board agrees to convene the extraordinary shareholders meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. If the Board does not agree to convene the extraordinary shareholders meeting, it shall explain the reasons and make an announcement.

The audit committee shall have the right to propose to the Board to convene an extraordinary shareholders meeting in writing. The Board shall, in accordance with the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary shareholders meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any changes to the original proposal made in the notice shall be approved by the audit committee.

If the Board does not agree to convene the extraordinary shareholders meeting or fails to give a reply within 10 days after receiving the proposal, the Board shall be deemed to be unable or fail to perform the duty of convening the shareholders meeting, and the audit committee may summon and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the Company's shares shall (on a one-share-one-vote basis, excluding treasury shares) have the right to request the Board to convene an extraordinary shareholders meeting, and submit the proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders meeting or not within ten days after receipt of the request.

If the Board agrees to convene the extraordinary shareholders meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed, and any change to the original request made in the notice shall be subject to the consent of the relevant shareholders.

If the Board does not agree to convene an extraordinary shareholders meeting or does not reply within 10 days upon receipt of the proposal, the shareholders individually or jointly holding more than 10% of the Company's shares shall (on a one-share-one-vote basis, excluding treasury shares) have the right to propose to the audit committee to convene an extraordinary shareholders meeting, and such proposal shall be made in writing.

If the audit committee agrees to convene the extraordinary shareholders meeting, it shall issue a notice of the shareholders meeting within five days of receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the audit committee fails to issue the notice of the shareholders meeting within the prescribed period, it shall be deemed that the audit committee will not convene and preside over the shareholders meeting, and shareholders individually or jointly holding 10% or more of the Company's shares (on a one-share-one-vote basis, excluding treasury shares) for more than 90 consecutive days may summon and preside over the meeting by themselves.

Proposals at shareholders meetings

The content of the proposal shall fall within the scope of the power of the shareholders meeting, with a clear agenda and specific matters for resolution, and comply with the applicable provisions of laws, administrative regulations, other regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When convening a shareholders meeting, the Board, as well as shareholders who individually or collectively hold 1% or more of the Company's shares, are entitled to submit proposals to the Company.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener ten days before a shareholders meeting is convened. The convener shall issue a supplementary notice of the shareholders meeting within two days of receipt of the proposal to announce the contents of the provisional proposal. If, under the securities regulatory rules of the place where the Company's shares are listed, a shareholders meeting is required to be postponed due to the issuance of a supplementary notice for such meeting, the shareholders meeting shall be postponed in accordance with the provisions of such securities regulatory rules.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders meeting or add new proposals after issuing the notice of the shareholders meeting.

The proposals that have not been set out in the notice of the shareholders meeting or that do not comply with Article 57 of the Articles of Association, shall not be voted on or resolved at the shareholders meeting.

Notice of shareholders meetings

The convener shall notify all shareholders 21 days before the annual shareholders meeting and shall notify all shareholders 15 days before the extraordinary shareholders meeting.

When determining the notice period, the date on which the meeting is convened shall be excluded.

Notice of shareholders meetings shall contain:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals submitted for consideration at the meeting;
- (3) a clear statement that: all shareholders of ordinary shares, the shares with special voting rights and other sorts of shares are entitled to attend the shareholders meeting in person or appoint a proxy to attend and vote on his/her behalf, and such proxies need not be shareholders of the Company;
- (4) the date of record for the determination of shareholders who are entitled to attend the shareholders meeting;
- (5) name and telephone number of permanent contact person;
- (6) time and procedures for voting online or by other means;

The notice of the shareholders meeting and supplementary notice shall fully and comprehensively set out the specific content of all proposals.

Convening of shareholders meeting

All ordinary shareholders registered on the record date or their proxies are entitled to attend the shareholders meeting and exercise voting rights in accordance with applicable laws, regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association (unless otherwise required by the Hong Kong Listing Rules which require shareholders to abstain from voting on particular matters). Shareholders are entitled to speak at the shareholders meeting.

Shareholders may attend the shareholders meeting in person or appoint a proxy (who need not be a shareholder of the Company) to attend the meeting and vote on their behalf.

If the shareholders meeting requires the attendance of the director and senior management, such director and senior management shall attend the meeting and answer the inquiries from shareholders.

The shareholders meeting shall be presided over by the chairperson of the Board. If the chairperson is unable or fails to perform such duty, the deputy chairperson shall preside over such meeting (where the Company has two or more deputy chairpersons, the deputy chairperson jointly recommended by more than half of the directors shall preside over such meeting). If the deputy chairperson is unable or unwilling to perform the duty, the meeting shall be presided over by one director jointly recommended by more than half of the directors.

If a shareholders meeting is convened by the audit committee itself, the convener of the audit committee shall preside over the meeting. If the convener of the audit committee is unable to or will not discharge his/her duties, a majority of the members of the Audit Committee shall nominate a member of the audit committee to preside over the meeting.

The shareholders meeting convened by shareholders themselves shall be presided over by a representative elected by the convener.

In a shareholders meeting, if the chairman of the meeting contravenes the rules of procedure, making the meeting impossible to proceed, with consent from more than half of the attending shareholders with voting rights, the shareholders meeting may nominate one person to serve as the chairman and continue with the meeting.

Voting and resolutions at shareholders meetings

The resolutions of the shareholders meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution made by the shareholders meeting shall be passed by more than half of the votes held by the shareholders (including proxies of shareholders) attending the shareholders meeting.

A special resolution made by the shareholders meeting shall be passed by more than two-thirds of the votes held by the shareholders (including proxies of shareholders) attending the shareholders meeting.

The following matters shall be resolved at the shareholders meeting through ordinary resolutions:

- (1) the work reports of the Board;
- (2) the plans of profit distribution and loss recovery schemes proposed by the Board;
- (3) removal of members of the Board and their remunerations and methods of payment;
- (4) the appointment, removal of the accounting firm, and their remuneration thereof;

- (5) any matters not otherwise required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

The following matters shall be passed through special resolutions at the shareholders meeting:

- (1) amendment to the Articles of Association;
- (2) the increase or reduction of the registered capital of the Company;
- (3) merger, split, spin-off, dissolution and liquidation of the Company;
- (4) matters on purchase or sale of material assets or provision of guarantee with an amount of more than 30% of the Company's audited total assets for the latest period within one year;
- (5) Share incentive plan and employee stock ownership plan (including the total number of grants, the exercise price, the exercise period);
- (6) other matters as required by the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, or matters determined by the shareholders meeting by ordinary resolution to have material effect on the Company and necessary for approval by special resolutions.

Shareholders (including their proxies) shall exercise voting rights based on the number of voting shares they represent, and be entitled to one vote for each share held, except for class shares. The Company's shares held by the Company shall not carry voting rights, and shall not be included in the total number of voting shares at the shareholders meeting.

Resolutions of the shareholders meeting shall be promptly announced. The announcement shall specify the number of shareholders and proxies present at the meeting; the total number of voting shares held by such attendees and their proportion to the Company's total voting shares; the voting method and results for each resolution; and the details of all adopted resolutions.

DIRECTORS AND THE BOARD

Directors

Non-employee representative directors shall be elected or replaced by the shareholders meeting and may be removed by the shareholders meeting prior to the expiration of their term; employee directors shall be democratically elected by the Company's employees through employee representative assemblies or other means and directly assume positions of the Board. Subject to compliance with the laws and regulations of the place where the Company is

established and the regulatory rules of the place where the Company's shares are listed, shareholders are entitled to remove any directors (including managing directors or other executive directors) at a shareholders meeting by ordinary resolution before the expiration of their term; however, such removal shall not prejudice the director's right to claim damages under any contracts. Directors shall serve a term of three years and may be re-elected upon expiration of their term.

A director's term of office shall commence from the date of his/her appointment until the expiry of the term of the current position of the Board. Where the re-election of directors is not held in time, the said director shall continue fulfilling the duties as a director pursuant to laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed and the Articles of Association until a new director takes office.

Subject to compliance with applicable laws and regulations and the regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill a temporary vacancy, such appointed director shall only hold office until the first annual general meeting following their appointment, and shall be eligible for re-election by shareholders at that meeting.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe the duties of loyalty and diligence to the company.

Board

The Company shall have a Board which shall be responsible for implementing the resolutions of the shareholders meeting. The Board shall consist of 7 directors, including 1 chairperson of the Board, 1 employee representative director, and three independent non-executive directors.

The Board shall exercise the following powers:

- (1) to summon shareholders meetings and report its work to the shareholders meetings;
- (2) to implement the resolutions of the shareholders meeting;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plans and loss recovery plans;
- (5) to formulate proposals for the increase or reduction of the Company's registered capital, the issue of bonds or other securities and listing plans;
- (6) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution and change of corporate form of the Company;

- (7) to decide on the Company's external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions, external donations and other matters within the scope authorized by the shareholders meeting;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to decide on the appointment or dismissal of the Company's general manager, secretary to the Board and other senior management, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, person in charge of finance and other senior management based on the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for any amendment to the Articles of Association of the Company;
- (12) to manage the information disclosure of the Company;
- (13) to propose to the shareholders meeting the appointment or replacement of the accounting firm that audits the Company;
- (14) to listen to the work report of the general manager of the Company and inspect the work of the general manager;
- (15) other functions and powers conferred by laws, administrative regulations, departmental rules, the Articles of Association or the shareholders meeting.

Matters beyond the scope authorized by the shareholders meeting shall be submitted to the shareholders meeting for consideration.

The Board of Directors shall hold at least four regular meetings annually, approximately one per quarter, with written notice to all directors at least 14 days prior to each meeting. For interim board meetings, written notice shall be given at least 3 days in advance. In case of urgent matters, interim board meetings may be convened at any time via oral, telephone, or email notification.

A Board meeting shall be valid only if a majority of directors are present. Resolutions of the Board must be approved by a majority of all directors.

Each director shall have one vote for resolutions to be approved by the Board.

Special committees under the Board

The Company's Board may establish an audit committee, a nomination committee, and a remuneration committee. These special committees shall be responsible for the Board, and perform their duties in accordance with the Articles of Association and the authority granted by the Board. The proposals from these committees shall be submitted to the Board for making a decision. All the members of the special committees shall be directors, of which the audit committee shall consist of three members, all of whom shall be directors not serving as senior management of the Company, including 2 independent non-executive directors, with the convener (chairperson) being an independent non-executive director possessing professional accounting qualifications. For the nomination committee and the remuneration committee, the majority of which shall be independent non-executive directors, with the convener of each committee shall be an independent non-executive director. The Board is responsible for formulating rules of procedures for these special committees to standardize their operations.

The secretary to the Board of the Company

The Company shall have a secretary to the Board who shall be responsible for the matters relating to preparations for shareholders meetings and Board meetings, keeping of documentation and managing shareholders' data, handling information disclosure and investor relationship of the Company.

The secretary to the Board shall comply with laws, administrative regulations, departmental rules and the Articles of Association.

General manager and other senior management personnel

The Company shall have one general manager to be appointed or dismissed by the Board. The term of office of a general manager shall be three years, and he/she may serve consecutive terms if re-elected upon the expiration of his/her term of office.

The general manager shall be accountable to the Board and shall exercise his/her functions and powers according to the Articles of Association or the authorization by the Board. The general manager shall attend the Board meetings.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**Financial Accounting System**

The Company shall formulate its financial accounting system pursuant to the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the relevant national authorities.

Profit Distribution

When distributing the profit after tax for a year, the Company shall set aside 10% of its profit after tax for the statutory common reserve fund. The Company shall no longer be required to make allocations to its statutory common reserve fund once the aggregate amount of such reserve reaches at least 50% of its registered capital.

If the Company's statutory common reserve fund is insufficient to make up losses from previous years, the Company shall use its profits from the current year to make up such losses before allocating them to its statutory common reserve fund in accordance with the preceding paragraph.

After making the allocation from its profit after tax to its statutory common reserve fund, the Company may also, subject to a resolution of the shareholders meeting, make an allocation from its profit after tax to the discretionary common reserve fund.

After the Company has made up its losses and made allocations to its common reserve fund, the remaining profit after tax shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association or approved by all shareholders of the Company.

Where the Company violates the provisions of the Company Law and the Articles of Association in distributing profits to shareholders, the shareholders shall return the distributed profits to the Company. Shareholders, responsible directors, and senior management shall be liable for making compensation for any losses suffered by the Company.

The shares of the Company held by the Company are not entitled to profit distribution.

The Company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. When using a company's reserves to cover its losses, any discretionary common reserve fund and statutory common reserve fund shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the conversion of the statutory common reserve fund into an increase in registered capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

Audit

The Company shall implement an internal audit system and employ full-time audit personnel to carry out internal audits and supervision of the Company's financial revenue and expenditure and economic activities.

NOTICES AND ANNOUNCEMENTS

A notice of the Company shall be sent by the following means:

- (1) by personal delivery;
- (2) by fax, email or post;
- (3) by announcement;
- (4) other forms stipulated by the Articles of Association.

Unless the context otherwise specifies, the announcements used in the Articles of Association shall mean, with respect to announcements made to the shareholders of unlisted domestic shares or announcements that are required to be made within the PRC in accordance with relevant regulations and the Articles of Association, the announcements published in Chinese newspapers designated by Chinese laws, administrative regulations or the securities regulatory authorities of the State Council; with respect to notice made to the shareholders of overseas-listed foreign shares, once it is published by announcements, such announcements must be published on the website of the Hong Kong Stock Exchange and/or the website of the Company according to the Hong Kong Listing Rules.

When a notice from the Company is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery. The date of the recipient's signature shall be deemed to be the delivery date. When the notice of the Company is sent out via mail, the delivery date shall be five business days after such notice is delivered to the post office. When the notice of the Company is sent by fax, the time recorded by the fax machine shall be the date of service. When the notice of the Company is sent by e-mail, the time of sending the e-mail recorded by computer shall be the date of service. When the notice of the Company is sent out by public announcement, the delivery date shall be the first date of publication of such announcement.

The Company shall not disclose information in other public media in advance of the specified newspapers and specified websites, and shall not replace announcements by the Company by means of press conferences or answering questions from reporters. The Board is entitled to adjust the media in which the Company discloses information but shall ensure that the specified media for information disclosure complies with relevant laws, regulations of domestic and Hong Kong and the qualifications and conditions stipulated by the Securities Supervision and Administration Commission of the State Council, foreign regulatory authorities and the Hong Kong Stock Exchange.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION**Merger and division**

The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption shall mean the absorption by one company of another company(ies) in which case the absorbed company(ies) shall be dissolved. Merger by new establishment shall mean the merger of two or more companies to form a new company, in which case the parties to the merger shall be dissolved.

Where the Company merges with a company in which it holds more than 90% of the shares, the merged company is not subject to the approval of the shareholders meeting but shall notify other shareholders of the merger. Such shareholders shall have the right to request the Company to purchase their equity or shares at a reasonable price. Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of shareholders meeting, unless otherwise provided by the Articles of Association. Any merger of the Company not subject to the approval of the shareholders meeting under the preceding paragraphs shall be subject to the approval of the Board.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, the establishment of the company shall be registered in accordance with the law.

Dissolution and liquidation

The Company shall be dissolved for the following reasons:

- (1) the term of its operations as stipulated in the Articles of Association has expired or events of dissolution specified in the Articles of Association have occurred;
- (2) the shareholders meeting resolves to dissolve;
- (3) dissolution is necessary due to merger or division of the Company;
- (4) the Company's business licence is revoked, the Company is ordered to close down or be revoked in accordance with the law;
- (5) Where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

If the company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company is dissolved pursuant to items (1) and (2) above and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association. Any amendment to the Articles of Association under those circumstances must be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) above, a liquidation committee shall be established and the liquidation shall commence within 15 days after the occurrence of the cause of dissolution. The liquidation committee shall be composed of directors unless otherwise required by the Articles of Association or persons determined by the shareholders meeting. If the liquidation obligor fails to fulfill the liquidation obligation in a timely manner and causes losses to the Company or creditors, they shall bear the liability for compensation. If the liquidation team is not established within the deadline for liquidation or fails to liquidate after the establishment of the liquidation team, interested parties may apply to the People's Court to designate relevant personnel to form a liquidation team for liquidation.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (1) after amendments are made to the Company Law or relevant laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed, the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed;
- (2) there is a change in the Company's situation, which is inconsistent with the matters recorded in the Articles of Association;
- (3) the shareholders meeting decides to amend the Articles of Association.

The amendments to the Articles of Association adopted by the shareholders meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, an application shall be made for registration of the changes in accordance with the laws.

The Board may amend these Articles of Association in accordance with the resolution the shareholders meeting on amendments to the Articles of Association and as requested by the relevant regulatory authorities.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation**

Our Company was established as a limited liability company in the PRC on November 1, 2017 and was converted into a joint stock company with limited liability on June 16, 2022 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB30,000,000.

Our Company has established a place of business in Hong Kong at Room 1916, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 14, 2025. Ms. SIOW Grace Yuet Chew (蕭月秋), one of our joint company secretaries, has been appointed as our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix V—Summary of Articles of Association.” A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Appendix IV—Summary of Principal Legal and Regulatory Provisions.”

2. Changes in Share Capital

On November 1, 2017, our Company was incorporated as a limited liability company with a registered capital of RMB100,000. In June 2022, our Company was converted into a joint stock company with limited liability with registered capital of RMB30,000,000. There was no change to the share capital of our Company during the two years immediately preceding the date of this prospectus.

We expect to conduct the Share Subdivision immediately prior to the Listing, pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB30,000,000, will be divided into 300,000,000 Shares with par value of RMB0.10 per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the Listing, and the number of our issued Shares will be 300,000,000, without taking into consideration the new Shares to be issued for the Global Offering. For more details, see “History, Development and Corporate Structure.”

3. Changes in Share Capital of Our Subsidiaries

The following subsidiaries were incorporated within two years immediately preceding the date of this prospectus:

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital
ANTHBOT GER . . .	German	November 22, 2024	EUR25,000
Shenzhen LeZhi. . . .	PRC	December 30, 2024	RMB1,000,000
Shenzhen Lechuang Robot Co., Ltd. (深圳樂創機器人 有限公司)	PRC	March 3, 2026	RMB1,000,000

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus:

On July 18, 2024, Wuhan Merak Robotics Co., Ltd. (武漢天璇機器人有限公司) was deregistered on a voluntary basis due to the strategic realignment of our Company.

Save as disclosed above and in the Accountants' Report set out in Appendix I to this prospectus, there has been no other alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

4. Resolutions of Our Shareholders

Pursuant to general meeting held on May 16, 2025, among other things, our Shareholders resolved that:

- (a) the issuance by our Company of the H Shares of nominal value of RMB0.1 each (taking into account the Share Subdivision) and such H Shares being listed on the Main Board of the Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 20% of the total issued share capital of our Company as enlarged by the Global Offering before the exercise of the Over-allotment Option, and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and authorization to the Board to amend the Articles of Association for the purpose of the Company's Listing; and
- (d) authorization of the Board to handle all matters relating to, among other things, the Global Offering, the issue of the H Shares and the Listing.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) the cornerstone investment agreement dated April 27, 2026 entered into among SHENZHEN LDROBOT CO., LTD, KCH Vision Investment Limited (康成亨遠景投資有限公司), Tianjin Kangchengheng No. 2 Management Consulting Partnership Enterprise (Limited Partnership) (天津市康成亨二號管理諮詢合夥企業(有限合夥)), Haitong International Capital Limited, Guotai Junan Capital Limited, Haitong International Securities Company Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which KCH Vision Investment Limited agreed to subscribe for such number of H Shares at the Offer Price in an aggregate of such amount of HKD277,000,000 (excluding brokerage fee, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares); and
- (b) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights**(a) Trademarks**

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:


No.	Trademark	Place of Registration	Registered Owner	Class	Registered Number	Expiry Date (dd/mm/yyyy)
1 . . .	LDROBOT	PRC	the Company	12	63152134	27/11/2033
2 . . .	LDROBOT	PRC	the Company	38	63169166	27/09/2032
3 . . .	LDROBOT	PRC	the Company	10	63159346	27/09/2032
4 . . .	LDROBOT	PRC	the Company	11	63178074A	20/11/2032
5 . . .	LDROBOT	PRC	the Company	9	63167702	06/03/2034
6 . . .	LDROBOT	PRC	the Company	9	63177659	06/03/2034

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registered Number	Expiry Date (dd/mm/yyyy)
7 . . .	LDRBOT	PRC	the Company	12	63169686	27/11/2033
8 . . .	LDRBOT	PRC	the Company	10	63178048	27/09/2032
9 . . .	LDRBOT	PRC	the Company	11	63165196A	20/11/2032
10 . .	LDRBOT	PRC	the Company	9	63167702A	20/11/2032
11 . .	LDRBOT	PRC	the Company	9	63177659A	20/11/2032
12 . .	LDRBOT	PRC	the Company	38	63162271	27/09/2032
13 . .	乐动	PRC	the Company	9	60461370	13/08/2033
14 . .	乐动	PRC	the Company	7	60460372	06/05/2032
15 . .	乐动	PRC	the Company	42	59153769	20/03/2033
16 . .	乐动	PRC	the Company	7	59134998	06/03/2032
17 . .	乐动感知	PRC	the Company	7	59151431	06/04/2034
18 . .	乐动感知	PRC	the Company	42	59162687	20/03/2032
19 . .	Idrobot	PRC	the Company	7	59138798	20/03/2033
20 . .	Idrobot	PRC	the Company	42	59143418	20/10/2032
21 . .	Idrobot	PRC	the Company	35	59147309	06/03/2032
22 . .	Idrobot	PRC	the Company	9	59136525	06/12/2032
23 . .	乐动智能	PRC	the Company	9	59154516	13/08/2033
24 . .	乐动感知	PRC	the Company	9	59139239	13/05/2033
25 . .	乐动智能	PRC	the Company	7	59139575	20/03/2033
26 . .	乐动	PRC	the Company	7	59155563	20/03/2033
27 . .	乐动感知	PRC	the Company	35	59151822	20/03/2032

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registered Number	Expiry Date (dd/mm/yyyy)
28 . .	乐动智能	PRC	the Company	42	59134407	06/04/2033
29 . .	乐动机器人	PRC	the Company	7	59144538	20/03/2033
30 . .	乐动机器人	PRC	the Company	9	59153279	13/08/2033
31 . .	乐动机器人	PRC	the Company	42	59159560	20/03/2033
32 . .		PRC	the Company	9	44138413	27/01/2031

(b) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Type	Place of Registration	Copyright Owner	Registration Number	Registration Date (dd/mm/yyyy)
1 . .	Robot Lawn Mower Control Software (割草机器人操控软件)	Software	PRC	the Company	2024SR0127281	18/01/2024
2 . .	Robot Lawn Mower Visualization Software (割草机器人可视化软件)	Software	PRC	the Company	2023SR1390582	06/11/2023
3 . .	Intelligent Robot Mapping and Localization Software (智能机器人建图定位软件)	Software	PRC	the Company	2023SR0642099	13/06/2023
4 . .	Intelligent Robot Navigation Software (智能机器人导航软件)	Software	PRC	the Company	2023SR0577189	31/05/2023
5 . .	Intelligent Robot Scheduling Software (智能机器人调度软件)	Software	PRC	the Company	2023SR0551650	18/05/2023
6 . .	Mobile Robot Virtual Software (移动机器人虚拟软件)	Software	PRC	the Company	2023SR0309511	09/03/2023
7 . .	Sensor Visualization Software (传感器可视化软件)	Software	PRC	the Company	2023SR0309512	09/03/2023

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Copyright	Type	Place of Registration	Copyright Owner	Registration Number	Registration Date (dd/mm/yyyy)
8 . .	Wall-Following Motion Software (沿牆運動軟件)	Software	PRC	the Company	2021SR2201834	28/12/2021
9 . .	Sensor Distance Measurement Software (傳感器測距軟件)	Software	PRC	the Company	2021SR2135110	24/12/2021
10 .	Laser Sweeping Robot Software (Android Version) (激光掃地機軟件 (Android版))	Software	PRC	the Company	2019SR0736832	17/07/2019
11 .	Ludong Robot Depth Camera Software (樂動機器人深度攝像頭軟件)	Software	PRC	the Company	2019SR0083855	24/01/2019
12 .	Ludong Robot Management System (樂動機器人管理系统)	Software	PRC	the Company	2018SR775192	25/09/2018
13 .	Intelligent Sweeping Robot Software (智能掃地機器人軟件)	Software	PRC	the Company	2018SR775189	25/09/2018
14 .	Sensor Angle Measurement Software (傳感器測角度軟件)	Software	PRC	Ledong Software	2021SR1460461	30/09/2021
15 .	Motion Control Software (運動控制軟件)	Software	PRC	Ledong Software	2021SR1460462	30/09/2021

(c) *Patents*

As of the Latest Practicable Date, we had registered the following patents which we considered to be or may be material to our business:

No.	Patent Name	Type	Patentee	Place of Registration	Patent Number	Grant Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
1 . . .	Optical distance measuring device and mobile device (光學測距裝置及移動裝置)	Invention	the Company	PRC	ZL202411700548.7	3/18/2025	25/11/2044
2 . . .	Method, device, terminal and storage medium for determining robot position (用於確定機器人位置的方法、裝置、終端及存儲介質)	Invention	the Company	PRC	ZL202011418769.7	1/28/2025	06/12/2040

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patentee	Place of Registration	Patent Number	Grant Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
3 . . .	A visual SLAM method, device, robot and storage medium (一種視覺SLAM方法、裝置、機器人及存儲介質)	Invention	the Company	PRC	ZL202011352975.2	11/12/2024	25/11/2040
4 . . .	Method, system and robot for robot to find charging device (機器人尋找充電裝置的方法、系統和機器人)	Invention	the Company	PRC	ZL201710406210.4	4/9/2024	31/05/2037
5 . . .	A method and device for robot positioning based on highlight target (一種基於高亮目標的機器人定位方法及裝置)	Invention	the Company	PRC	ZL202011383266.0	3/22/2024	31/11/2040
6 . . .	A method, device and storage medium for measuring the speed of robot and its side-sweeping speed (機器人及其邊掃轉速測量方法、裝置、存儲介質)	Invention	the Company	PRC	ZL202010639402.1	1/9/2024	05/07/2040
7 . . .	A method, storage medium and cleaning robot for cleaning garbage (清潔機器人清理垃圾的處理方法、存儲介質及清潔機器人)	Invention	the Company	PRC	ZL202111566684.8	12/8/2023	19/12/2041
8 . . .	A mopping robot and its control method, device and computer-readable storage medium (拖地機器人及其控制方法、裝置及電腦可讀存儲介質)	Invention	the Company	PRC	ZL202011120578.2	11/3/2023	18/10/2040
9 . . .	Robot and a robot motion path display method and device (一種機器人運動路徑顯示的方法、裝置及機器人)	Invention	the Company	PRC	ZL201811571738.8	9/29/2023	20/12/2038
10 . . .	A method for controlling robot cleaning and a robot (控制機器人清潔的方法及機器人)	Invention	the Company	PRC	ZL202111350277.3	9/22/2023	14/11/2041
11 . . .	A method for controlling robot operation and a robot (一種控制機器人工作的方法及機器人)	Invention	the Company	PRC	ZL201910984342.4	7/28/2023	15/10/2039

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patentee	Place of Registration	Patent Number	Grant Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
12 . .	Robot and its identification control method, device and storage medium (機器人的識別控制方法、裝置、機器人及存儲介質)	Invention	the Company	PRC	ZL202110700175.3	1/31/2023	22/06/2041
13 . .	A method, storage medium and cleaning robot for cleaning garbage (一種機器人沿牆行走的控制方法及裝置)	Invention	the Company	PRC	ZL201910187948.5	12/6/2022	12/03/2039
14 . .	Method and device for robot cleaning planning area (機器人清潔規劃區域的方法及裝置)	Invention	the Company	PRC	ZL202011087305.2	7/26/2022	11/10/2040
15 . .	Robot and its edge-following method (一種機器人沿邊的方法及機器人)	Invention	the Company	PRC	ZL201911192340.8	6/21/2022	27/11/2039
16 . .	A robot dust collection control method, device and terminal device (一種機器人集塵控制方法、裝置及終端設備)	Invention	the Company	PRC	ZL202110083486.X	5/6/2022	20/01/2041
17 . .	Map Generation and Partitioning Method, Device and Terminal (地圖生成和分區方法、裝置及終端設備)	Invention	the Company	PRC	ZL201910038854.1	3/29/2022	15/01/2039
18 . .	Robot and its control method and device (一種機器人的控制方法、裝置及機器人)	Invention	the Company	PRC	ZL202110217798.5	3/25/2022	25/02/2041
19 . .	Robot and its map management system (機器人地圖的管理系統及機器人)	Invention	the Company	PRC	ZL201710829428.0	1/4/2022	13/09/2037
20 . .	Robot and its room cleaning method (一種機器人清掃房間的方法及機器人)	Invention	the Company	PRC	ZL201811130847.6	11/12/2021	26/09/2038
21 . .	Robot and its method and system for recording environmental data (一種環境資料記錄方法、系統及機器人)	Invention	the Company	PRC	ZL201910056921.2	11/12/2021	21/01/2039
22 . .	Robot and its working method (一種機器人工作的方法及機器人)	Invention	the Company	PRC	ZL201910924630.0	7/23/2021	26/09/2039
23 . .	Cleaning robot and its method for identifying obstacles (一種障礙物的識別方法及清潔機器人)	Invention	the Company	PRC	ZL201811517738.X	5/28/2021	11/12/2038

No.	Patent Name	Type	Patentee	Place of Registration	Patent Number	Grant Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
24	Cleaning robot, its storage medium, its voice control method and its cloud server (清潔機器人的語音控制方法、雲伺服器、清潔機器人及其存儲介質)	Invention	the Company	PRC	ZL201710764946.9	5/11/2021	29/08/2037
25	Robot and its charging method (一種機器人充電的方法及機器人)	Invention	the Company	PRC	ZL201911012447.X	5/11/2021	22/10/2039
26	Robot and its method and device for displaying obstacles on an electronic map (一種在電子地圖上顯示障礙物的方法、裝置及機器人)	Invention	the Company	PRC	ZL201910566499.5	5/7/2021	26/06/2039
27	Robot and its obstacle crossing method (一種機器人越障的方法及機器人)	Invention	the Company	PRC	ZL201910931423.8	3/19/2021	28/09/2039
28	Robot and its Mapping and positioning systems (機器人建圖定位系統及機器人)	Invention	the Company	PRC	ZL201710289313.7	3/9/2021	26/04/2037
29	A method, device and terminal device for indoor area division and identification (一種室內區域劃分和識別方法、裝置及終端設備)	Invention	the Company	PRC	ZL201811213519.2	2/9/2021	17/10/2038
30	Robot and its method and device for restoration of damaged maps (一種機器人恢復被損壞地圖的方法、裝置及機器人)	Invention	the Company	PRC	ZL201910327567.2	2/9/2021	22/04/2039
31	A method, device and terminal device for positioning moving target (一種運動目標定位方法、裝置及終端設備)	Invention	the Company	PRC	ZL201811213856.1	10/27/2020	17/10/2038
32	A method and device for three-dimensional environmental mapping (一種環境三維建圖方法及裝置)	Invention	the Company	PRC	ZL201611238804.0	7/3/2020	27/12/2036
33	Cleaning robot and its control method (清潔機器人控制方法和清潔機器人)	Invention	the Company	PRC	ZL201710764950.5	5/26/2020	29/08/2037

No.	Patent Name	Type	Patentee	Place of Registration	Patent Number	Grant Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)
34 . .	Robot control method, device, storage medium and computer equipment (機器人控制方法、裝置、存儲介質和電腦設備)	Invention	the Company	PRC	ZL201711057600.1	1/7/2020	31/10/2037
35 . .	Indoor target detection method and device (一種室內目標檢測方法及裝置)	Invention	the Company	PRC	ZL201610944408.3	12/17/2019	01/11/2036
36 . .	Mobile device fully autonomous mapping method and device (一種移動裝置全自主建圖方法及裝置)	Invention	the Company	PRC	ZL201611200209.8	11/22/2019	21/12/2036
37 . .	A robot arbitrary position positioning method, device and system (一種機器人的任意位置定位方法、裝置及系統)	Invention	the Company	PRC	ZL201510381608.8	7/27/2018	02/07/2035
38 . .	An autonomous robot collision detection method, device and system (一種自主機器人的碰撞檢測方法、裝置及系統)	Invention	the Company	PRC	ZL201510367447.7	3/20/2018	28/06/2035

(d) Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Place of Registration	Expiry Date (dd/mm/yyyy)
1	scvrobot.com	the Company	PRC	26/10/2026
2	anthbot.com	the Company	PRC	20/03/2026
3	ldrobot.com	the Company	PRC	07/08/2026

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**1. Disclosure of Interests****(a) *Interests and short positions of our Directors or chief executive in the share capital of our Company and its associated corporations following completion of the Global Offering***

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded 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 Companies contained in the Listing Rules. For details, see the section headed “Substantial Shareholders” in this prospectus.

(b) *Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO*

For the information on the persons who will, immediately following the completion of the Global Offering, having or be deemed or taken to 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 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 rights to vote in all circumstances at general meetings of our Company, see the section headed “Substantial Shareholders” in this prospectus.

So far as set out above, our Directors are not aware of any persons (other than our Directors or chief executive) will, immediately following the completion of the Global Offering, 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 any member of our Group.

2. Service Contracts

We have entered into a contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

3. Director's Remuneration

Save as disclosed in “Directors and Senior Management” and “Appendix I—Accountants’ Report—II Notes to The Historical Financial Information—9. Directors’ and Chief Executive’s Remuneration” for the three financial years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

4. Disclaimers

Saved as disclosed in this prospectus:

- (a) none of our Directors or any of the parties listed in “Qualification of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in “Qualification of Experts” of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEMES

Background

The Company has adopted three Employee Incentive Schemes, namely the 2020 Employee Incentive Scheme, the 2021 Employee Incentive Scheme and the 2025 Employee Incentive Scheme (collectively, the “**Employee Incentive Schemes**”) to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees for long-term development of the Company. Each of the Employee Incentive Schemes is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by our Company after the Listing.

As of the Latest Practicable Date, our Company has established four employee incentive platforms (“**Employee Incentive Platforms**”), namely Shenzhen Lecheng Technology Partnership Enterprise (深圳樂澄科技合夥企業(有限合夥), “Lecheng Technology”), Photon Space, Shenzhen Guangfan Qihang Technology Partnership Enterprise (Limited Partnership) (深圳光帆啟航科技合夥企業(有限合夥)) (“Guangfan Qihang”), and Shenzhen Guangqi Tongxin Technology Partnership Enterprise (Limited Partnership) (深圳光啟同心科技合夥企業(有限合夥), “Guangqi Tongxin”). Incentives are granted to eligible participants under the Employee Incentive Schemes in the form of partnership interests in our Employee Incentive Platforms.

Employee Incentive Platforms

The Employee Incentive Platforms under the Employee Incentive Schemes in aggregate held 4,663,410 Shares as at the Latest Practicable Date, being 46,634,100 Shares immediately following the Share Subdivision, representing approximately 15.54% of the total number of Shares in issue immediately before the completion of the Global Offering and approximately 13.99% of the total number of Shares in issue immediately upon the completion of the Global Offering assuming the Over-allotment Option is not exercised.

(i) *Lecheng Technology*

Lecheng Technology is a limited partnership established on November 30, 2017 as one of the Employee Incentive Platforms for the 2020 Employee Incentive Scheme. The general partner of Lecheng Technology is Ms. JIANG Yunxiang (蔣雲香), one of our employees. As of the Latest Practicable Date, Lecheng Technology was held by its general partner, Ms. JIANG Yunxiang, as to 19.61%, and its limited partners as to 80.39%. The limited partners of Lecheng Technology were Mr. ZHANG Jun (our executive Director), Mr. XIE Bin (our vice general manager), Ms. TANG Yanli (our chief financial officer), Mr. Guo (our executive Director and general manager), and 15 individuals (comprising ten current employees and five former employees of the Group who are Independent Third Parties), who held 23.32%, 3.33%, 1.19%, 1.00% and 51.55%, respectively, as of the Latest Practicable Date.

(ii) Photon Space

Photon Space is a limited partnership established on August 19, 2021 as one of the Employee Incentive Platforms for the 2021 Employee Incentive Scheme and the 2025 Employee Incentive Scheme. The general partner of Photon Space is Mr. Zhou, one of our Controlling Shareholders, our chairman of the Board and an executive Director. As of the Latest Practicable Date, Photon Space was held by its general partner, Mr. Zhou (our executive Director and chairman of the Board), as to 25% and its limited partners as to 75%. The limited partners of Photon Space were Ms. TANG Yanli (our chief financial officer), Mr. Guo (our executive Director and general manager), Mr. ZHANG Jun (our executive Director), Guangfan Qihang, Guangqi Tongxin, Mr. XIE Bin (our vice general manager) and 41 individuals (comprising 40 current employees and one former employee of the Group who are Independent Third Parties), who held 21.20%, 9.98%, 10.00%, 8.25%, 2.50%, 0.44% and 22.63%, respectively, as of the Latest Practicable Date.

(iii) Guangfan Qihang

Guangfan Qihang is a limited partnership established on November 16, 2021 as one of the Employee Incentive Platforms for the 2021 Employee Incentive Scheme and the 2025 Employee Incentive Scheme. The general partner of Guangfan Qihang is Ms. JIANG Yunxiang, one of our employees. As of the Latest Practicable Date, Guangfan Qihang was held by its general partner, Ms. JIANG Yunxiang as to 10.91%, and its limited partners as to 89.09%. The limited partners of Guangfan Qihang are Mr. ZHANG Jun (our executive Director), Mr. Guo (our executive Director and general manager), Mr. XIE Bin (our vice general manager), Ms. TANG Yanli (our chief financial officer), and 28 employees of the Group who are Independent Third Parties, who held 7.13%, 0.39%, 1.82%, 1.82% and 77.93%, respectively, as of the Latest Practicable Date.

(iv) Guangqi Tongxin

Guangqi Tongxin is a limited partnership established on June 20, 2025 as one of the Employee Incentive Platforms for the 2025 Employee Incentive Scheme. The general partner of Guangqi Tongxin is Mr. Guo (our executive Director and general manager). As of the Latest Practicable Date, Guangqi Tongxin was held by its general partners, Mr. Guo as to 1.22%, and its limited partners as to 98.78%. The limited partners of Guangqi Tongxin consist of 14 employees of the Group who are Independent Third Parties.

Administration

With respect to the 2020 Employee Incentive Scheme and the 2021 Employee Incentive Scheme, the Shareholders are responsible for approval, amendment and termination of the 2020 Employee Incentive Scheme and the 2021 Employee Incentive Scheme. Mr. Zhou and Mr. Guo (the “**Administrators**”) are responsible for the implementation and administration of the 2020 Employee Incentive Scheme and the 2021 Employee Incentive Scheme.

With respect to the 2025 Employee Incentive Scheme, Mr. Zhou and Mr. Guo are responsible for approval, amendment and termination, implementation and administration of the 2025 Employee Incentive Scheme.

Effectiveness and Duration

The Employee Incentive Schemes shall be valid and effective for the period commencing from the first grant date of the awards under the Employee Incentive Schemes to the expiry date of the lock-up period or the cancelation of repurchase of the award in accordance with the terms and conditions of the Employee Incentive Schemes.

Eligibility of the Participant

Those who may be eligible to participate in the Employee Incentive Schemes include employees of the Group. Subject to the terms of the Employee Incentive Schemes, the Administrators may determine the eligible participants of the Employee Incentive Schemes.

Awards

Subject to compliance with the Listing Rules and subject to the terms of the Share Incentive Schemes, the Administrators shall be entitled, at their sole and absolute discretion, to grant awards in the form of partnership interest of the Employee Incentive Platforms to the participants of the Share Incentive Schemes.

Repurchase of Awards Granted

The participants may be required to transfer all of the interests in the Employee Incentive Platforms held by them to Administrators or the person designated by Administrators in accordance with the Employee Incentive Schemes in certain circumstances, including, but not limited to, expiration or termination of the employment of the Group.

Transferability

The transfer of the partnership interest of the Employee Incentive Platforms shall be approved by the Administrators under certain circumstances in accordance with the Employee Incentive Schemes and be subject to the applicable laws, rules, regulations, securities regulations or requirements of any stock exchanges.

Lock-up Period

The partnership interests of the Employee Incentive Platform shall be transferred in accordance with the lock-up restrictions of the Employee Incentive Schemes, subject to the applicable laws, rules, regulations, securities regulations or requirements of any stock exchanges.

2020 Employee Incentive Scheme

Pursuant to the 2020 Employee Incentive Scheme, the partnership interests held by the participants are not subject to lock-up restrictions prior to the Global Offering. After the completion of the Global Offering, the participants are free to transfer their respective partnership interest in the relevant Employee Incentive Platform granted to him/her, whether in full or in part, once a year.

2021 Employee Incentive Scheme

Pursuant to the 2021 Employee Incentive Scheme, the partnership interests held by the participants are subject to lock-up restrictions for four years commencing from the date of grant. Upon expiry of such lock-up period, the participants are free to transfer their respective partnership interest in the relevant Employee Incentive Platform granted to him/her, whether in full or in part, once a year.

2025 Employee Incentive Scheme

Pursuant to the 2025 Employee Incentive Scheme, the partnership interests held by the participants are subject to lock-up restrictions for (i) two years commencing from the date of grant or one year commencing from the Listing Rules (whichever is later, but in any case, no more than four years commencing from the date of grant (the “**Lock-up Period of the 2025 Employee Incentive Scheme**”)). Upon expiry of such lock-up period, the participants are free to transfer their respective partnership interest in the relevant Employee Incentive Platform granted to him/her, whether in full or in part, once a year, provided that (i) within one year after the expiration of the Lock-up Period of the 2025 Employee Incentive Scheme, the participant shall not transfer or dispose of more than 50% of the partnership interest granted to him/her (“**One-year Restriction**”); and (ii) within one year after the expiration of such One-year Restriction, the participant shall not transfer or dispose of more than 50% of the partnership interest granted to him/her.

The awards to be granted under 2025 Employee Incentive Scheme shall not exceed 25.99% partnership interest in Photon Space (including the partnership interest held by Guangqi Tongxin therein), and 40.21% partnership interest in Guangfan Qihang (the “**Scheme Limit**”) and shall be settled by the transfer of the existing partnership interests of Photon Space, Guangfan Qihang and Guangqi Tongxin held by Mr. Guo. For the avoidance of doubt, if the Scheme Limit is not fully utilized prior to the Global Offering, no further awards can be granted under 2025 Employee Incentive Scheme.

Immediately following completion of the Share Subdivision and the Global Offering, the total number of Shares of the Company underlying Employee Incentive Schemes will be 46,634,100, all of which will be held by Employee Incentive Platforms. As a result, Employee Incentive Schemes will not cause any dilution of the shareholding of our Shareholders immediately after the Global Offering. For further details on the interest of our connected

persons and employees granted under the Employee Incentive Schemes, please refer to the partnership interest of Employee Incentive Platforms in the section headed “D. Employee Incentive Schemes—Employee Incentive Platforms.”

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiaries.

2. Litigation

Saved as disclosed in this prospectus, to the knowledge of our Directors, no member of our Group has significant litigation or claims pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares.

Each of the Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US\$250,000 for acting as a sponsor for the Listing.

4. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

5. Qualification of Experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
Haitong International Capital Limited . . .	Licensed corporation under the SFO to conduct type 6 (advising on corporate finance) of the regulated activity as defined under the SFO

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation under the SFO to conduct type 6 (advising on corporate finance) of the regulated activity as defined under the SFO
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
China Insights Industry Consultancy Limited	Independent industry consultant
Zhong Lun Law Firm	Legal advisor to our Company as to PRC laws
King & Wood	Legal advisor to our Company as to International Sanctions laws

6. Consents of Experts

Each of the experts referred to in “Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its names included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any of our shareholding interests in any member of our Group or rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities in any member of our Group.

7. Compliance Advisor

We have appointed Guotai Junan Capital Limited as our Compliance Advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

8. Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H

Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

9. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial position or prospects since December 31, 2024.

10. Binding Effect

This prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years preceding the date of this prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

- (g) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (h) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and
- (i) our Company has no outstanding convertible debt securities or debentures.

12. Restrictions on Share Buy-back

For details, see the sections headed “Appendix IV—Summary of Principal Legal and Regulatory Provisions” and “Appendix V—Summary of Articles of Association” in this prospectus.

13. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

14. Promoters

The promoters of our Company comprised all of the 25 then shareholders of our Company, as at May 26, 2022 before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed “History, Development and Corporate Structure” in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

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) the written consents referred to in the section headed “Appendix VI—Statutory and General Information—E. Other Information—6. Consents of Experts”; and
- (b) copies of the material contracts referred to in the section headed “Appendix VI—Statutory and General Information—B. Further Information about our Business—1. Summary of Material Contracts.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.ldrobot.com during a period of 14 days from the date of this prospectus:

- 1. the Articles of Association;
- 2. the Accountants’ Report prepared by Ernst & Young, the text of which is set forth in Appendix I to this Prospectus;
- 3. the audited consolidated financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025;
- 4. the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set forth in Appendix II to this Prospectus;
- 5. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed “Industry Overview” in this Prospectus;
- 6. the legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisors, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;
- 7. the legal memorandum issued by King & Wood, our legal advisors as to International Sanctions laws, in respect of the international sanctions risk analysis;
- 8. the material contracts in “Appendix VI—Statutory and General Information—B. Further Information about our Business—1. Summary of Material Contracts”;

9. the written consents referred to in “Appendix VI—Statutory and General Information—E. Other Information—6. Consents of Experts”;
10. the service contracts referred to in “Appendix VI—Statutory and General Information—C. Further Information about our Directors and Substantial Shareholders—2. Service Contracts”; and
11. a copy of the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures, together with their respective unofficial English translations.

The logo for LDROBOT, featuring the letters 'LDROBOT' in a white, sans-serif font. The letter 'O' is stylized with a circular cutout in the center.

LDROBOT

深圳樂動機器人股份有限公司
SHENZHEN LDROBOT CO., LTD