OneRobotics

OneRobotics (Shenzhen) Co., Ltd.
臥安機器人(深圳)股份有限公司

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

Stock Code: 6600

GLOBAL OFFERING

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

(in alphabetical order)

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

华泰国际 HUATAI INTERNATIONAL

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

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	22,222,300 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	2,222,300 H Shares (subject to reallocation)
Number of International Offer Shares	:	20,000,000 H Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	:	HK$81.0 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	:	RMB0.1 per H Share
Stock Code	:	6600

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

(in alphabetical order)

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

华泰国际 HUATAI INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

中國銀河國際 CHINA GALAXY INTERNATIONAL

中銀國際 BOCI

富途證券 FUTU Securities International

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 the paragraph headed "Documents Delivered to The Registrar of Companies in Hong Kong and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or about Wednesday, December 24, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon on Wednesday, December 24, 2025 (Hong Kong time). The Offer Price will be not more than HK$81.0 per Offer Share and is currently expected to be not less than HK$63.0 per Offer Share, unless otherwise announced. If, for any reason, the Offer Price is not agreed by Wednesday, December 24, 2025 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Share are required to pay, on application, the maximum Offer Price of HK$81.0 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK$81.0.

The Overall Coordinators, for themselves and on behalf of the Underwriters, and with our consent may, where considered appropriate, reduces the number of Hong Kong Offer Shares and/or the indicative Offer Price range below that is stated in this prospectus (which is HK$63.0 to HK$81.0) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notices will also be available on the website of our Company at **www.onero.cn** and on the website of the Stock Exchange at **www.hkexnews.hk**. Further details are set forth in "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, in particular, the risk factors set out in the section headed "Risk Factors".

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

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered or sold, pledged or transferred within the United States, except that the Offer Shares may be offered, sold or delivered in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.onero.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

December 18, 2025

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

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

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

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

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

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

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

Your application through the **White Form eIPO** service or the **HKSCC EIPO** service must be made for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

If you are applying through the **White Form eIPO** 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 amount payable on application in full upon application for Hong Kong Offer Shares.

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

No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable[(2)] on application HK$
100	8,181.69	2,000	163,633.76	10,000	818,168.86	300,000	24,545,065.50
200	16,363.38	2,500	204,542.21	20,000	1,636,337.70	400,000	32,726,754.00
300	24,545.07	3,000	245,450.65	30,000	2,454,506.56	500,000	40,908,442.50
400	32,726.75	3,500	286,359.10	40,000	3,272,675.40	600,000	49,090,131.00
500	40,908.44	4,000	327,267.55	50,000	4,090,844.26	700,000	57,271,819.50
600	49,090.13	4,500	368,175.98	60,000	4,909,013.10	800,000	65,453,508.00
700	57,271.82	5,000	409,084.43	70,000	5,727,181.96	900,000	73,635,196.50
800	65,453.51	6,000	490,901.31	80,000	6,545,350.80	1,000,000	81,816,885.00
900	73,635.20	7,000	572,718.20	90,000	7,363,519.66	1,111,100[(1)]	90,906,740.93
1,000	81,816.89	8,000	654,535.08	100,000	8,181,688.50		
1,500	122,725.32	9,000	736,351.96	200,000	16,363,377.00		

Notes:

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

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.onero.cn**.*

Hong Kong Public Offering commences . . . . 9:00 a.m. on Thursday, December 18, 2025

Latest time for completing electronic applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** [(2)] . . . . 11:30 a.m. on Tuesday, December 23, 2025

Application lists for the Hong Kong Public Offering open [(3)] . . . . 11:45 a.m. on Tuesday, December 23, 2025

Latest time to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and giving **electronic application instructions** to HKSCC [(4)] . . . . 12:00 noon on Tuesday, December 23, 2025

If you are 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, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the earliest and latest time as stated above, as this may vary by **broker** or **custodian**.

Application lists for the Hong Kong Public Offering close [(3)] . . . . 12:00 noon on Tuesday, December 23, 2025

Expected Price Determination Date [(5)] . . . . Wednesday, December 24, 2025

(1) Announcement of:

- the final Offer Price;
- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Offering; and
- the basis of allocations of the Hong Kong Offer Shares under the Hong Kong Public Offering,

to be published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.onero.cn** [6] on or before . . . . .11:00 p.m. on Monday, December 29, 2025

(2) 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 the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.onero.cn** as described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" . . . . .at or before 11:00 p.m. on Monday, December 29, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) . . . . from 11:00 p.m. Monday, December 29, 2025 12:00 midnight on Sunday, January 4, 2026

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on. . . . . .Tuesday, December 30, 2025, Wednesday, December 31, 2025, Friday, January 2, 2026 and Monday, January 5, 2026 (excluding Saturday, Sunday and public holiday in Hong Kong)

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from . . . . 6:00 p.m. on Wednesday, December 24, 2025

H Share certificates in respect of wholly or partially successful applications under the Hong Kong Public Offering to be despatched or deposited into CCASS on or before [7][8]. . . . . Monday, December 29, 2025

White Form e-Refund payment instructions/refund cheques in respect of wholly successful (if applicable) or wholly or partially unsuccessful applications to be despatched on or before [9]. . . . . Tuesday, December 30, 2025

Dealings in the Shares on the Stock Exchange expected to commence at. . . . . 9:00 a.m. on Tuesday, December 30, 2025

The application for the Hong Kong Offer Shares will commence on Thursday, December 18, 2025 through Tuesday, December 23, 2025. The application monies (including brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee) will be held by the receiving bank on behalf of us and the refund monies, if any, will be returned to the applicant(s) without interest on Tuesday, December 30, 2025. Investors should be aware that the dealings in H Shares on the Stock Exchange are expected to commence on Tuesday, December 30, 2025.

Notes:

(1) All dates and times refer to Hong Kong dates and times.

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

(3) If there is/are Severe Weather Signal(s) (as defined in the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus) in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, December 23, 2025, the application lists will not open and close on that day. Please refer to the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus. If the application lists do not open and close on Tuesday, December 23, 2025, the dates mentioned in this section headed "Expected Timetable" may be affected. We will make an announcement in such event.

(4) Applicants who apply for Hong Kong Offer Shares through **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" in this prospectus.

(5) The Price Determination Date, being the date on which the Offer Price is to be determined, is expected to be on or about Wednesday, December 24, 2025 and, in any event, not later than 12:00 noon on Wednesday, December 24, 2025. If, for any reason, the Offer Price is not agreed by our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before Wednesday, December 24, 2025, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

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

(7) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Grounds for Termination" has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(8) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third

party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

(9) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to "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 **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of **White Form e-Refund payment instructions. Applicants who have applied through the White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

White Form e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications if the Offer Price is less than the price per Offer Share payable on application.

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

Share certificates will only become valid certificates provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of their Share certificates or prior to the Share certificates becoming valid certificates do so entirely at their own risk.

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

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions 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 Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, and Joint Lead Managers, the Underwriters, any of our or their respective directors or any other person or party involved in the Global Offering.

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 the whole document 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 the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a global provider of home robotic systems, with a particular focus on the markets in Japan, Europe and North America, and are dedicated to building an ecosystem centered around smart home robotic products. According to the Frost & Sullivan Report, we are a leading global provider of home robotic systems offering a broad range of home robotic categories designed for a variety of home living scenarios. Our offerings primarily comprise: (i) execution-enhanced robots, including dexterous hand-mimic robots such as lock robots, curtain robots and finger robots, enhanced mobile robots such as multitasking household robots, and sports robots; (ii) perception and decision-making systems, including smart hubs, smart sensors and smart cameras; and (iii) other smart home products and services, such as light and power tools and smart home appliances. With technical R&D and product innovation as our core drivers, we leverage our advantages across the industry chain encompassing R&D, production, and sales to continuously enhance the application and development of home robotic technology in a wide array of home living scenarios, including home automation, domestic chores, AI butler, elderly care, security and energy management, while continuously expanding the depth of our scenario coverage and enhancing our products' autonomous learning and decision-making capabilities to provide users with a complete and enriched smart home living ecosystem.

R&D Practitioner. As a R&D practitioner in the global home robotic system industry, we have launched multiple products while building strong intellectual property assets and maintaining significant R&D investments. We introduced and commercialized several innovative products in the home robotic system industry. We launched the SwitchBot Bot in 2017. In 2020, we introduced SwitchBot Curtain, followed by SwitchBot Lock in 2021, and SwitchBot S10, an enhanced mobile robot in 2023. As of the Latest Practicable Date, we owned 311 patents globally, including 56 invention patents that represent our key technological developments. We have assembled a highly capable R&D team, accounting for 43.4% of our total employees as of the Latest Practicable Date. Our commitment to innovation is further demonstrated by our significant R&D investment, with R&D expenses accounting for approximately 20% of our revenue from 2022 to 2024.

Global Operator. Our rise as a global operator is demonstrated by our extensive worldwide reach, high user engagement, and strong product adoption across diverse markets and demographics. Building upon our technological foundation, we have developed a comprehensive ecosystem that seamlessly connects our innovative products with users worldwide. As of the Latest Practicable Date, over 3.5 million users had registered with our SwitchBot App since its launch, and over 10.8 million devices had been connected to our SwitchBot App since its launch. Our products are sold to more than 90 countries and regions worldwide during the Track Record Period, with availability in over 2,000 offline retail stores globally as of the Latest Practicable Date. Approximately 55.9% of all users who had registered with our SwitchBot App had connected two or more of our SwitchBot products with the SwitchBot App as of the Latest Practicable Date, demonstrating strong adoption across our product ecosystem, underscoring our strong consumer loyalty and brand positioning.

Growth Driver. During the Track Record Period, we achieved strong financial performance, with steady growth in revenue and gross profit margin. For the years ended December 31, 2022, 2023 and 2024, our revenue amounted to RMB274.6 million, RMB457.3 million and RMB609.9 million, respectively, representing a CAGR of 49.0% over the period. Our revenue increased from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. Our DTC channels experienced significant growth, with a CAGR of 73.3% from 2022 to 2024. For the years ended December 31, 2022, 2023 and 2024, and our gross profit was RMB94.1 million, RMB230.5 million and RMB315.6 million, respectively, representing a CAGR of 83.1% over the period. Our gross profit increased from RMB138.8 million for the six months ended June 30, 2024 to RMB214.8 million for the six months ended June 30, 2025. Our gross profit margin has reached 50.4% and 51.7% in 2023 and 2024, respectively. Our adjusted-EBITDA (non-IFRS measure) has also shown significant improvement, turning from negative RMB69.1 million for the year ended December 31, 2022 to RMB5.8 million and RMB26.1 million for the years ended December 31, 2023 and 2024, respectively, and increasing from RMB0.2 million for the six months ended June 30, 2024 to RMB54.1 million for the six months ended June 30, 2025, demonstrating our enhanced operational efficiency and progress toward sustainable profitability.

Our home robotic systems represent a fundamental advancement over both traditional single-unit smart home devices and general home robotics. While single-unit smart home devices offer only basic intelligent control without interconnectivity, and general home robotics operate on preset programs or simple commands, our home robotic systems integrate artificial intelligence, robotics and IoT technologies to achieve autonomous learning and intelligent decision-making. Our systems mimic human behavioral features, including hands, feet, eyes, skin, and brain, enabling real-time environmental perception, multifunctional device collaboration, and edge intelligence processing through our decision-making smart hubs.

We offer comprehensive product portfolio across seven categories with 47 SPUs. We have established an extensive omni-channel sales and distribution network covering DTC channels via e-commerce platforms and our self-operated website, retailer channels that include major international retailers such as Amazon, and distribution channels. Our widespread brand recognition is evidenced through our SwitchBot App, which has achieved a large and growing user base with millions of registered users and connected devices, demonstrating strong customer retention and brand positioning within our expanding smart home ecosystem.

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) a leading provider of home robotic systems with deployment in comprehensive home living scenarios: (ii) powering technological innovation through experienced R&D teams and self-developed proprietary technologies; (iii) leveraging product innovation capability to develop a home robotic system and establish a comprehensive smart home ecosystem with a diversified product matrix; (iv) proven brand heritage and strong brand influence, buoyed by omni-channel sales network with global reach; (v) a complete and highly synergetic value chain integrating R&D, production and sales, ensuring operational efficiency; and (vi) stable and cohesive core management team with years of cooperation and an efficient organizational structure.

BUSINESS STRATEGIES

To solidify our market leading position and further propel our business growth, we intend to pursue the following business strategies: (i) enhance R&D capabilities and expand our product portfolio; (ii) strengthen market position and expand global reach; (iii) continue to expand our customer base to attract corporate and institutional customers; and (iv) pursue strategic acquisitions/investments to enhance our technology ecosystem.

OUR BRAND AND PRODUCTS

During the Track Record Period and as of the Latest Practicable Date, we offered a wide range of products under multiple categories, primarily including (i) execution-enhanced robots, including dexterous hand-mimic robots such as lock robots, curtain robots and finger robots, enhanced mobile robots such as multitasking household robots, and sports robots; (ii) perception and decision-making systems, including smart hubs, smart sensors and smart cameras; and (iii) other smart home products and services, such as light tools, power tools and smart home appliances. Our products are offered under the brand names SwitchBot and Acemate. Our users can interact with our products at any time through primarily our SwitchBot App to address their diverse home living needs, enabling our products to generate effective real-time interactions. As of the Latest Practicable Date, we had a total of seven product categories of home robotic system products with 47 SPUs.

The following table sets forth the revenue, sales volume and ASP by product category for the periods indicated:

	For the year ended December 31,									For the six months ended June 30,		
	2022			2023			2024			2025		
	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]
	RMB'000		*RMB*	*RMB'000*		*RMB*	*RMB'000*		*RMB*	*RMB'000*		*RMB*
Home Robotic System Products	**229,146**	**1,800,356**	—	**416,334**	**2,116,673**	—	**546,960**	**2,402,756**	—	**348,845**	**1,217,071**	—
Execution-enhanced Robots	139,896	771,408	—	255,091	907,485	—	347,869	971,085	—	237,735	547,552	—
— Dexterous Hand-mimic Robots	139,896	771,408	—	198,345	877,620	—	237,579	918,500	—	173,623	522,973	—
— Lock robots	58,689	259,831	226	78,582	277,589	283	112,904	334,578	338	102,591	236,610	434
— Curtain robots	40,643	163,030	249	76,973	260,150	296	82,782	296,485	279[(4)]	43,717	135,223	323
— Finger robots	40,053	348,547	115	42,251	339,881	124	36,329	287,437	126	20,321	151,140	134
— Related accessories[(2)]	511	—	—	539	—	—	5,564	—	—	6,994	—	—
— Enhanced Mobile Robots	—	—	—	56,746	29,865	—	110,290	52,585	—	64,112	24,579	—
— Multitasking household robots	—	—	—	54,200	29,865	1,815	107,524	52,585	2,045	48,293	24,579	1,965
— Related accessories[(2)]	—	—	—	2,546	—	—	2,766	—	—	15,819	—	—
Perception and Decision-making Systems	89,250	1,028,948	—	161,243	1,209,188	—	199,091	1,431,671	—	111,110	669,519	—
— Smart hubs	32,903	407,861	81	95,766	523,877	183	115,826	596,102	194	52,834	215,872	245
— Smart sensors	33,224	480,434	69	41,878	573,507	73	61,126	731,007	84	41,336	390,798	106
— Smart cameras	21,544	140,653	153	23,094	111,804	207	21,799	104,562	208	16,551	62,849	263
— Related accessories[(2)]	1,579	—	—	505	—	—	340	—	—	389	—	—
Other Smart Home Products and Services[(3)]	**45,451**	—	—	**40,930**	—	—	**62,964**	—	—	**47,449**	—	—
Total	**274,597**	**1,800,356[(5)]**	—	**457,264**	**2,116,673[(5)]**	—	**609,924**	**2,402,756[(5)]**	—	**396,294**	**1,217,071[(5)]**	—

Notes:

(1) ASP is calculated by dividing the revenue generated by a product by its sales volume. Since our products are sometimes sold in bundles with discounts, the average selling price may not accurately reflect the average selling price of our bundled offerings. The ASPs presented in the above table for the Track Record Period are generally lower than the retail price range of our products as of the Latest Practicable Date. This variance is primarily attributable to our continuous product iteration during the Track Record Period and up to the Latest Practicable Date, as we introduced advanced new models with higher retail prices while phasing out simpler and outdated models.

(2) We believe sales volume and ASP for accessories are not meaningful metrics for analysis because these items are primarily consumables or complementary components sold in high volumes at relatively low-price points, unlike our core products which are sold on a unit basis. The accessories' revenue contribution is ancillary to our main product lines, and their purchase patterns are typically driven by replacement cycles or bundled with primary device purchases rather than representing distinct consumer adoption trends.

(3) Other smart home products and services primarily include the revenue generated from the sales of smart light tools, smart power tools and smart home appliances and cloud storage services.

(4) The ASP of our curtain robots decreased in 2024 because we strategically chose to offer more competitive product pricing while maintaining high gross profit margins.

(5) The sales volume only reflects the sales volume of our home robotic system products, excluding relevant accessories.

Our SwitchBot App

In 2018, we developed and launched our own SwitchBot App, available for iOS and Android devices. Our SwitchBot App is designed to provide users with a user-friendly and customized experience to control our home robotic system products remotely wherever they have an internet connection. The table below sets forth the cumulative number of users who had registered with, and the cumulative number of devices that had been connected to, our SwitchBot App from its initial launch through the dates indicated.

	As of December 31,			As of June 30,	As of the Latest Practicable Date
	2022	2023	2024	2025	
Cumulative number of SwitchBot App users(1)	1,252,138	2,004,206	2,806,210	3,151,433	3,564,849
Cumulative number of devices connected to Switchbot App(2)	3,001,140	5,387,255	8,147,627	9,375,187	10,889,251
Cumulative number of users who purchased our perception and decision-making systems and paired with our products via SwitchBot App(3).	988,583	1,502,637	2,061,509	2,274,931	2,538,492

Notes:

(1) For the purposes of "cumulative number of SwitchBot App users", we count a user by reference to the first SwitchBot App account that successfully connects a device (each device having a unique device identifier) to the SwitchBot App. Where multiple SwitchBot App accounts subsequently connect to the same device, only the first account that connected that device is counted as a user and the later accounts are not counted again.

(2) "Cumulative number of devices connected to SwitchBot App" represents, as at the relevant date, the total number of distinct devices, identified by their unique device identifiers, that have ever been successfully connected to the SwitchBot App. A device is counted once irrespective of (i) how many SwitchBot App accounts have connected to it or (ii) how many times it has been disconnected and re-connected. In addition, certain registered users have connected more than one device to the SwitchBot App.

(3) For the purposes of "cumulative number of users who purchased our perception and decision-making systems and paired with our products via SwitchBot App", we count the first SwitchBot App account that successfully connects at least one perception and decision-making system product to the SwitchBot App. Where (i) multiple accounts connect to the same perception and decision-making system product, only the first account that connected that product is counted as one user; and (ii) one account connects multiple perception and decision-making system products, that account is counted as one user only.

Our products are compatible with major smart home platforms such as Amazon Alexa, Google Assistant, Apple Home and others. For details of our products, please refer to the section headed "Business — Our Brand and Products" in this prospectus.

OUR TECHNOLOGIES

We have independently developed and mastered three core technologies: (i) robot positioning and environment construction technology, which enables millimeter-level positioning and dynamic environment modeling through multi-sensor fusion and visual reconstruction, allowing home robotic systems to adapt to complex layouts and autonomously plan paths; (ii) AI machine vision control technology, which combines multi-modal large language models, vertical models, and diffusion models to achieve millisecond-level object recognition and real-time feedback via CMOS visual sensors, widely applied in cleaning and security scenarios; and (iii) distributed neural control network technology, which features bio-inspired communication protocols to form a low-power, self-healing network that ensures coordinated whole-house responses while automatically adapting to different layouts and device combinations, providing the technological foundation for a complete smart home ecosystem. All of these core technologies have been successfully applied to our products.

For details of our technologies, please refer to the section headed "Business — Our Technologies" in this prospectus.

RESEARCH AND DEVELOPMENT

We have established interdisciplinary R&D capabilities that draw upon diverse fields, including robotics, AI, IoT technology, visual algorithms, motion control, and machine learning, which establish the foundation for our comprehensive, proprietary core technologies. Our in-house R&D team strives to expand the functionalities and use cases of our home robotic system products, accommodating specific needs of various smart home scenarios. As of the Latest Practicable Date, we had a R&D team of 278 personnel, accounting for 43.4% of our workforce. For the years ended December 31, 2022, 2023, and 2024, our total R&D expenses amounted to RMB61.8 million, RMB89.2 million and RMB112.0 million, respectively, reflecting a CAGR of 34.7% from 2022 to 2024. Our total R&D expenses increased from RMB56.7 million for the six months ended June 30, 2024 to RMB58.7 million for the six months ended June 30, 2025. These expenses accounted for approximately 20% of our total revenue in each year from 2022 to 2024.

Since our inception and up to the Latest Practicable Date, we have independently worked on over 31 R&D projects that resulted in the development and commercialization of our products. For details of our research and development capabilities, please refer to the section headed "Business — Research and Development" in this prospectus.

OUR SALES AND DISTRIBUTION NETWORK

We have established an omni-channel sales and distribution network that is tailored to the respective markets in which our products are sold. We maintain a well-balanced online and offline sales network because we believe our diversified offline and online channels play equally significant roles in our business. Our sales and distribution network generally consists of DTC channels, retailer channels and distribution channels. Under the DTC channels, we sell products directly to end consumers either via a number of e-commerce platforms, including Amazon SC, among others, or our self-operated website. Under the retailer channel, we primarily sell our products to major international and national retailers, including Amazon VC, which purchase products directly from us and sell them to end consumers. Under our distribution channel, we mainly sell our products to distributors, which purchase products from us and subsequently distribute them to sub-distributors, and/or retailers.

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
DTC channels	**101,182**	**36.9**	**210,965**	**46.2**	**303,732**	**49.8**	**120,391**	**43.7**	**177,469**	**44.8**
— Amazon SC	79,817	29.1	120,043	26.3	173,020	28.4	62,732	22.8	90,386	22.8
— Self-operated website	20,460	7.5	60,793	13.3	88,688	14.5	35,836	13.0	60,588	15.3
— Other online marketplaces	905	0.3	30,129	6.6	42,024	6.9	21,823	7.9	26,495	6.7
Retailer channels	**172,115**	**62.6**	**204,783**	**44.7**	**244,824**	**40.1**	**125,628**	**45.7**	**183,008**	**46.2**
— Amazon VC	145,080	52.8	178,186	38.9	218,634	35.8	112,447	40.9	175,233	44.2
— Other retailers	27,035	9.8	26,597	5.8	26,190	4.3	13,181	4.8	7,775	2.0
Distribution channels	**1,300**	**0.5**	**41,516**	**9.1**	**61,368**	**10.1**	**29,002**	**10.6**	**35,817**	**9.0**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channels for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
DTC channels	**61,082**	**60.4**	**139,571**	**66.2**	**197,640**	**65.1**	**80,029**	**66.5**	**114,141**	**64.3**
— Amazon SC	48,185	60.4	84,687	70.5	119,168	68.9	44,379	70.7	60,286	66.7
— Self-operated website	12,339	60.3	38,702	63.7	53,866	60.7	22,937	64.0	37,307	61.6
— Other online marketplaces	558	61.7	16,182	53.7	24,606	58.6	12,713	58.3	16,548	62.5
Retailer channels	**32,643**	**19.0**	**76,390**	**37.3**	**98,309**	**40.2**	**50,535**	**40.2**	**87,403**	**47.8**
— Amazon VC	24,910	17.2	69,786	39.2	88,429	40.4	45,924	40.8	84,385	48.2
— Other retailers	7,733	28.6	6,604	24.8	9,880	37.7	4,611	35.0	3,018	38.8
Distribution channels	**414**	**31.8**	**14,577**	**35.1**	**19,648**	**32.0**	**8,274**	**28.5**	**13,209**	**36.9**
Total	**94,139**	**34.3**	**230,538**	**50.4**	**315,597**	**51.7**	**138,838**	**50.5**	**214,753**	**54.2**

During the Track Record Period, our products were sold in more than 90 countries and regions globally, primarily in Japan, Europe and North America. The table below sets out the breakdown of our revenue by region for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Japan	**168,381**	**61.4**	**285,057**	**62.3**	**352,408**	**57.7**	**167,390**	**60.9**	**268,354**	**67.7**
Europe	**46,193**	**16.8**	**68,737**	**15.0**	**130,465**	**21.4**	**47,769**	**17.4**	**68,055**	**17.2**
Germany	12,443	4.5	19,685	4.3	51,450	8.4	16,364	6.0	31,161	7.9
The United Kingdom	10,592	3.9	16,341	3.6	20,048	3.3	8,760	3.2	9,844	2.5
Other European countries	23,158	8.4	32,711	7.1	58,967	9.7	22,645	8.2	27,050	6.8
North America	**47,614**	**17.3**	**83,482**	**18.3**	**96,735**	**15.9**	**42,394**	**15.4**	**46,176**	**11.7**
The United States	45,101	16.4	78,451	17.2	86,878	14.3	38,687	14.1	40,860	10.3
Other North American countries	2,513	0.9	5,031	1.1	9,857	1.6	3,707	1.3	5,316	1.4
Rest of the world[(1)]	**12,409**	**4.5**	**19,988**	**4.4**	**30,316**	**5.0**	**17,468**	**6.3**	**13,709**	**3.4**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Note:

(1) Rest of the world include over 40 countries and regions, including, among others, Australia, Singapore and South Korea, each contributed relatively insignificant revenue to us during the Track Record Period.

For details of our sales channels, please refer to the section headed "Business — Our Sales and Distribution Network" in this prospectus.

SUPPLIERS

During the Track Record Period, our suppliers primarily included raw material suppliers and subcontractors. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our purchases from the five largest suppliers in each year/period during the Track Record Period amounted to RMB74.7 million, RMB58.3 million, RMB70.6 million and RMB60.1 million, accounted for 41.4%, 25.7%, 24.0% and 33.1% of our total cost of sales for the respective periods. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our purchases from the largest supplier in each year/period during the Track Record Period amounted to RMB18.3 million, RMB16.3 million, RMB21.8 million and RMB16.4 million, accounted for 10.1%, 7.2%, 7.4% and 9.0% of our total cost of sales for the respective periods.

To the best knowledge of our Directors, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these suppliers during the Track Record Period and up to the Latest Practicable Date.

For details of our procurement and five largest suppliers in each year/period during the Track Record Period, please refer to the section headed "Business — Procurement and Supply Chain Management" in this prospectus.

CUSTOMERS

We sell products to end consumers, retailers, and distributors. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the five largest customers in each year/period during the Track Record Period amounted to RMB164.0 million, RMB229.3 million, RMB289.1 million and RMB211.8 million, accounted for 59.6%, 50.2%, 47.4% and 53.5% of our total revenue for the respective periods. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the largest customer in each year/period during the Track Record Period amounted to approximately RMB145.1 million, RMB178.2 million, RMB218.6 million and RMB175.2 million, accounted for 52.8%, 38.9%, 35.8% and 44.2% of our total revenue for the respective periods.

To the best knowledge of our Directors, all of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these customers during the Track Record Period and up to the Latest Practicable Date.

For details of our five largest customers in each year/period during the Track Record Period, please refer to the section headed "Business — Customers" in this prospectus.

RELATIONSHIP WITH AMAZON

We have a significant business relationship with Amazon, which commenced in 2018. We sell our products through Amazon's e-commerce platforms primarily via two separate programs, namely, Amazon SC and Amazon VC. During the Track Record Period, a substantial portion of our revenue was generated from the sales through such Amazon programs.

Under the Amazon SC program, we operate as a third-party seller, selling our products directly to end consumers on the Amazon marketplace. This arrangement allows us to set the retail price for our products. In connection with these sales, we procure a range of services from Amazon, including platform services, Fulfilment by Amazon warehousing and logistics, marketing and advertising services, for which we pay separate service fees. For the years ended December 31, 2022, 2023, and 2024, and the six months ended June 30, 2024 and 2025, revenue generated from the sales through Amazon SC amounted to approximately RMB79.8 million, RMB120.0 million, RMB173.0 million, RMB62.7 million and RMB90.4 million, respectively, representing approximately 29.1%, 26.3%, 28.4%, 22.8% and 22.8%, respectively, of our total revenue for such periods. The gross profit attributable to the sales through Amazon SC for these periods was RMB48.2 million, RMB84.7 million, RMB119.2 million, RMB44.4 million and RMB60.3 million, respectively, with a corresponding gross profit margin of 60.4%, 70.5%, 68.9%, 70.7% and 66.7%, respectively.

Our participation in Amazon VC began in June 2019. Through this program, we act as a first-party supplier, selling our products in bulk directly to Amazon at negotiated wholesale prices, which may be lower than our retail prices for the sales made through Amazon SC. We may, from time to time, offer additional discounts to Amazon under this program based on mutual negotiations, particularly during major promotional events. Amazon then sells our products to end consumers under its own account. For the years ended December 31, 2022, 2023, and 2024, and the six months ended June 30, 2024 and 2025, revenue generated from Amazon VC amounted to approximately RMB145.1 million, RMB178.2 million, RMB218.6 million, RMB112.4 million and RMB175.2 million, respectively, representing approximately 52.8%, 38.9%, 35.8%, 40.9% and 44.2%, respectively, of our total revenue for such periods. The gross profit attributable to the sales under Amazon VC for these periods was RMB24.9 million, RMB69.8 million, RMB88.4 million, RMB45.9 million and RMB84.4 million, respectively, with a corresponding gross profit margin of 17.2%, 39.2%, 40.4%, 40.8% and 48.2%, respectively.

Through both Amazon SC and Amazon VC, we mainly target the same end-users, being Amazon's online purchasers and shoppers. In addition to the services related to our e-commerce operations, we also utilized AWS as our primary computing service provider during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our historical financial information as of and for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, extracted from the Accountant's Report set out in Appendix I to this prospectus. The summary below should be read in conjunction with the consolidated financial information in Appendix I, including the accompanying notes and the information set forth in the section headed "Financial Information" in this prospectus. Our consolidated financial information was prepared in accordance with the IFRS Accounting Standards.

Summary of Our Consolidated Statements of Profit or Loss

The table below presents a summary of our consolidated statement of profit or loss and other comprehensive income for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	**274,597**	**457,264**	**609,924**	**275,021**	**396,294**
Cost of sales	(180,458)	(226,726)	(294,327)	(136,183)	(181,541)
Gross profit	**94,139**	**230,538**	**315,597**	**138,838**	**214,753**
Other income and gains	6,787	8,342	9,111	4,578	10,364
Selling and distribution expenses	(102,104)	(136,698)	(171,894)	(70,969)	(106,829)
Administrative expenses	(21,006)	(24,139)	(32,372)	(15,936)	(30,864)
Research and development expenses	(61,761)	(89,192)	(112,022)	(56,737)	(58,679)
Impairment losses on financial assets, net	(136)	(798)	151	(120)	(490)
Other expenses	(431)	(2,100)	(6,836)	(10,886)	(1,964)
Finance costs	(2,422)	(2,240)	(4,409)	(1,738)	(2,165)
(Loss)/profit before tax	**(86,934)**	**(16,287)**	**(2,674)**	**(12,970)**	**24,126**
Income tax (expense)/credit	(49)	(89)	(400)	(671)	3,777
(Loss)/profit for the year/period	**(86,983)**	**(16,376)**	**(3,074)**	**(13,641)**	**27,903**
Attributable to:					
Owners of the parent	(86,983)	(16,376)	(3,074)	(13,641)	27,903

For details on the accounting treatment of redemption rights, see "— Share Capital and Total Equity" in the section headed "Financial Information" and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Measures

In order to supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use Adjusted Net Loss/(Profit) (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) as additional financial measures. We present these financial measures because they are used by our management to evaluate our financial performance by eliminating the impact of certain items. We also believe that these non-IFRS measures provide additional information to investors and others in their understanding and evaluating our results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider this in isolation from, or as a substitute for analysis of, our results of operations as report under IFRS.

We define adjusted net (loss)/profit (a non-IFRS measure) as (loss)/profit for the year adjusted for equity-settled share-based payment expenses. We define adjusted EBITDA (a non-IFRS measure) as EBITDA adjusted for equity-settled share-based payment expenses. The equity-settled share-based payment expenses are non-cash in nature. The following table sets for the reconciliation of adjust net (loss)/profit for the year (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Loss)/profit for the year	(86,983)	(16,376)	(3,074)	(13,641)	27,903
Add:					
Equity-settled share-based payment expenses[1]	3,378	4,181	4,181	2,091	5,041
Listing expense	—	—	—	—	11,261
Adjusted net (loss)/profit for the year (a non-IFRS measure)	(83,605)	(12,195)	1,107	(11,550)	44,205
Add:					
Interest on bank loans	—	—	1,275	104	803
Interest on factored trade receivables	666	749	698	325	398
Interest on lease liabilities	1,756	1,491	2,436	1,309	964
Income tax expense/(credit)	49	89	400	671	(3,777)
Depreciation of property, plant and equipment	3,005	5,113	9,589	4,229	5,567
Depreciation of right-of-use assets	10,430	11,451	10,988	5,124	4,594
Amortization of intangible assets	222	676	1,646	822	1,940
Less:					
Interest income	1,647	1,560	2,058	864	550
Adjusted EBITDA (a non-IFRS measure)	(69,124)	5,814	26,081	170	54,144

Note:

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

For the years ended December 31, 2022, 2023, 2024, we recorded net loss of RMB87.0 million, RMB16.4 million, RMB3.1 million, respectively. Our net losses between 2022 and 2024 were primarily due to the expenditures in relation to (i) our R&D expenses incurred to enhance our core technologies and product and services offerings to maintain our established position in the global home robotic system industry; (ii) our selling and distribution expenses incurred to enhance our brand reputation and expand our customer and end-user base; and (iii) our administrative expenses. We recorded a net loss of RMB13.6 million for the six months ended June 30, 2024, compared to a net profit of RMB27.9 million for the six months ended June 30, 2025. The turnaround to profitability was primarily attributable to significant revenue growth as we expanded our business operation and improved gross profit margin, resulting from higher margins of our core products, a favorable shift in our product mix toward higher-margin products, and the continued implementation of cost optimization measures. The reduction of our loss for the years ended December 31, 2022, 2023 and 2024 and our net profit for the six months ended June 30, 2025 were primarily attributable to a combination of the following factors:

(i) the increase of the market penetration of our products, as evidenced by the significant growth in our revenue, which recorded a CAGR of 49.0% from RMB274.6 million in 2022 to RMB609.9 million in 2024. Likewise, our revenue increased significantly from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025;

(ii) the continuous improvement in the sales of established core home system product categories, the continuous optimization of our product mix and the successful launch of new, higher-margin products, which collectively resulted in an increase in our overall gross profit margin from 34.3% in 2022 to 50.4% in 2023 and 51.7% in 2024, and from 50.5% for the six months ended June 30, 2024 to 54.2% for the six months ended June 30, 2025;

(iii) our highly effective and efficient marketing activities, which leveraged our established brand influence and mature marketing models. This resulted in improved operating leverage as our revenue grew at a faster pace than our related expenses. As a result, our selling and distribution expenses as a percentage of revenue decreased from 37.2% in 2022 to 29.9% in 2023 and 28.2% in 2024, and was 25.8% and 27.0% for the six months ended June 30, 2024 and 2025, respectively, while our revenue continued to increase during the same period;

(iv) our disciplined and strategic investment in research and development, which we believe is crucial for maintaining our technological leadership and long-term growth. Our research and development expenses as a percentage of revenue were 22.5%, 19.5% and 18.4% for the years ended December 31, 2022, 2023 and 2024, respectively, and 20.6% and 14.8% for the six months ended June 30, 2024 and 2025, respectively, reflecting our prudent approach in selecting projects with strong commercialization potential and our ability to successfully translate technological advancements into revenue growth in a cost-efficient manner;

(v) the optimization of our sales channels with a strategic focus on our higher-margin DTC channels. The revenue generated from our DTC channels as a percentage of our total revenue increased from 36.9% in 2022 to 46.2% in 2023 and further to 49.8% in 2024. Likewise, the revenue generated from our DTC channels as a percentage of our total revenue increased from 43.7% for the six months ended June 30, 2024 to 44.8% for the six months ended June 30, 2025. These DTC channels carried higher gross profit margins compared to our overall gross profit margin of the same periods, thereby contributing to the improvement in our overall gross profit and gross profit margin; and

(vi) the strategic market expansion across key regions, particularly evidenced by our rapid growth in Europe, where our revenue grew at a CAGR of 68.1% from RMB46.2 million in 2022 to RMB130.5 million in 2024, and increased from RMB47.8 million for the six months ended June 30, 2024 to RMB68.1 million for the six months ended June 30, 2025.

For a detailed analysis of our operation of results during the Track Record Period, please refer to the section headed "Financial Information — Period to Period Comparison of Results of Operations" in this prospectus.

Summary of Consolidated Statements of Cash Flows

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Net cash flows generated from/(used in) operating activities	(106,994)	24,621	(31,278)	(32,804)	29,167
Net cash flows (used in)/generated from investing activities	(13,169)	(13,743)	(90,656)	(8,781)	55,114
Net cash flows (used in)/generated from financing activities	226,826	(24,411)	60,595	26,485	43,820
Net increase/(decrease) in cash and cash equivalents	106,663	(13,533)	(61,339)	(15,100)	128,101
Cash and cash equivalents at beginning of year/period	38,706	145,265	130,177	130,177	62,337
Effect of foreign exchange rate changes, net	(104)	(1,555)	(6,501)	(11,201)	6,627
Cash and cash equivalents at end of year/period, represented by bank balances and cash	145,265	130,177	62,337	103,876	197,065

For a detailed analysis of our cash flows during the Track Record Period, please refer to the section headed "Financial Information — Liquidity and Capital Resources" in this prospectus.

Summary of Consolidated Statements of Financial Position

The table below sets forth the key items of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	46,403	74,568	84,537	103,758
Current assets	294,765	299,901	367,995	566,922
Non-current liabilities	23,556	40,762	55,290	97,936
Current liabilities	109,086	137,306	199,737	281,643
Net current assets	185,679	162,595	168,258	285,279
Total assets less current liabilities	232,082	237,163	252,795	389,037
Net assets	208,526	196,401	197,505	291,101

For details on the accounting treatment of redemption rights, see "— Share Capital and Total Equity" in the section headed "Financial Information" and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

For a detailed analysis of our assets and liabilities during the Track Record Period, please refer to the section headed "Financial Information — Description of Certain Key Items from Our Consolidated Statement of Financial Position" in this prospectus.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as at the dates and for the periods indicated:

	As of/for the year ended December 31,			As of/for the six months ended June 30,
	2022	**2023**	**2024**	**2025**
Profitability ratios				
Revenue growth rate (%)	N/A	66.5	33.4	44.1
Gross profit growth rate (%)	N/A	144.9	36.9	54.7
Gross profit margin (%)	34.3	50.4	51.7	54.2
Net (loss)/profit margin (%)	(31.7)	(3.6)	(0.5)	7.0
Adjusted EBITDA margin (%) (a non-IFRS measure)	(25.2)	1.3	4.3	13.7
Liquidity ratio				
Current ratio	2.7	2.2	1.8	2.0
Capital ratio				
Gearing ratio	0.5	0.6	1.0	0.7

For a detailed analysis of our key financial ratios during the Track Record Period, please refer to the section headed "Financial Information — Key Financial Ratios" in this prospectus.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Li controlled approximately 44.53% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (1) 21.82% beneficially owned by him directly; (2) 8.24% beneficially owned by Wonder Innovation ESOP, an employee share ownership platform controlled by Mr. Li as the general partner; and (3) 14.47% beneficially owned by Mr. Pan, in respect of which Mr. Li has the right to direct voting and other shareholder actions of Mr. Pan pursuant to the terms of the Acting-in-concert Agreement, whereby Mr. Pan agreed to act in concert with Mr. Li in relation to all matters requiring the exercise of shareholder rights and director rights in our Company (where applicable). Upon the Listing and pursuant to the issuance of new Shares under the Global Offering, Mr. Li will control approximately 40.07% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (i) 19.64% beneficially owned by Mr. Li directly; (ii) 7.41% beneficially owned by Wonder Innovation ESOP; and (iii) 13.02% beneficially owned by Mr. Pan, assuming the Over-allotment Option is not exercised. Therefore, Mr. Li, Mr. Pan and Wonder Innovation ESOP are the Controlling Shareholder Group as of the Latest Practicable Date and upon the Listing.

PRE-IPO INVESTMENT

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of Pre-IPO Investments since the establishment of Woan Technology and our Company. For details, see "History and Corporate Structure — Pre-IPO Investments" in this prospectus.

Pursuant to the shareholders subscription agreements entered into prior to Relevant Periods, on March 23, 2022 and May 26, 2025, our Company issued an aggregate of 1,390,789 ordinary shares (representing the number of shares before capitalisation of reserves) to the Pre-IPO investors at a total net cash proceed amounted to approximately RMB389.68 million (collectively the "Pre-IPO Investments"). Pursuant to the above agreements, the Pre-IPO Investors were granted by our Company with special rights which included redemption rights.

There was no exercise of redemption rights granted by our Company throughout the Relevant Periods.

On May 26, 2025, our Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by our Company to Pre-IPO investors have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

For details, see note 28 to the Accountants' Report set out in Appendix I to this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the listing committee of the Stock Exchange under Rule 8.05(3) of the Listing Rules for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering and the H shares to be converted from the Domestic Unlisted Shares on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB609.9 million (equivalent to approximately HK$657.2 million) for the year ended December 31, 2024, which exceeds HK$500 million; and (ii) our expected market capitalization at the time of Listing, which, based on the Offer Price of HK$72.00 per Offer Share (being the mid-point of the indicative Offer Price range of HK$63.00 to HK$81.00 per Offer Share).

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period. We currently do not have a dividend policy. There is no expected or pre-determined dividend payout ratio after the Listing. According to the Company Law, a company is only permitted to distribute after-tax profits after it has fully made up for prior years' losses. As advised by our PRC Legal Advisers, we are not permitted to pay or declare any dividends until such accumulated losses have been fully covered. However, we may make up accumulated losses with capital surplus or by capital reduction. Once the Company becomes steadily profitable and achieves positive operating cash flow, we will consider implementing a dividend policy, which will be subject to a number of factors, including our revenue and profit, financial position, cash requirements, business plans, future prospects, prevalent market conditions, statutory and regulatory restrictions, and other factors that our Board may deem relevant. The payment and the amount of any future dividends will be at the discretion of our Board. Holders of our Shares will be entitled to receive such dividends pro rata according to the amounts paid up on our Shares. The dividend policy, once implemented, will be reviewed by our Board from time to time.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our total listing expenses (including underwriting commission) will be approximately RMB86.4 million (equivalent to HK$95.1 million). The estimated listing expenses of approximately RMB34.2 million are expected to be charged to our consolidated statements of profit or loss for the year ending 2025, and the remaining listing expenses of approximately RMB52.2 million are expected to be deducted from equity upon Listing. The listing expenses are expected to consist of RMB55.8 million for underwriting fees, sponsor fees and listing application fees, and RMB30.6 million for non-underwriting-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB15.8 million and other fees and expenses of RMB14.8 million).

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering is completed and 22,222,300 Shares are issued in the Global Offering; and (ii) the Over-allotment Option is not exercised:

	Based on an Offer Price of HK$63.0	Based on an Offer Price of HK$72.0	Based on an Offer Price of HK$81.0
Market capitalization *(HK$ in million)*	14,000.0	16,000	18,000
Unaudited pro forma adjusted consolidated net tangible assets per Share of our Company attributable to owners of our Company *(HK$)*	7.23	8.11	8.99

Notes:

(1) The calculation of market capitalisation and unaudited pro forma adjusted consolidated net tangible assets per Share is based on 22,222,300 H Shares that will be issued pursuant to the Global Offering and 200,000,000 Unlisted Shares that will be converted into H Shares upon completion of the Global Offering, without taking into account any exercise of the Over-allotment Option.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share was calculated after adjustments as specified in Appendix II to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering, will be approximately HK$1,504.9 million, assuming an Offer Price of HK$72.0 per H Share (being the mid-point of the indicative range of the Offer Price of HK$63.0 to HK$81.0 per H Share), and that the Over-allotment Option is not exercised.

We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below:

- Approximately HK$1,000.1 million, representing approximately 66.5% of the net proceeds of the Global Offering will be used to continuously enhance our R&D capabilities to further develop the key technologies relating to and products within our home robotic systems.

- Approximately HK$297.4 million, representing approximately 19.8% of the net proceeds of the Global Offering, will be used for the expansion of our sales channels and geographic coverage and enhance our brand awareness globally.

- Approximately HK$56.9 million, representing approximately 3.8% of the net proceeds of the Global Offering, will be used to repay a portion of our outstanding bank loans within 24 months from the Listing.

- Approximately HK$150.5 million, representing approximately 10.0% of the net proceeds of the Global Offering, will be used for general working capital and corporate purposes.

Please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus for more details.

COMPETITIVE LANDSCAPE

The home robotic system industry has experienced rapid growth. The market size of the global home robotic system industry in terms of retail sales increased from RMB2.2 billion in 2022 to RMB5.9 billion in 2024, representing a CAGR of approximately 63.7% for the period, and it is projected to reach RMB70.7 billion in 2029, representing a CAGR of approximately 64.2% from 2024 to 2029. The competition in the global home robotic system industry has gradually intensified in recent years and is highly dynamic. On the one hand, existing enterprises in this industry are continuously advancing embodied intelligence technologies for home scenarios and the implementation of system-level applications. On the other hand, new market entrants are actively competing for market share. Additionally, leading international technology companies, leveraging their comprehensive strengths in fields such as artificial intelligence algorithms and hardware manufacturing are accelerating the introduction of innovative products and technical solutions, thereby further intensifying competition and adding uncertainty to the industry's competitive environment.

Despite the increasing competition we faced, according to Frost & Sullivan, we maintained a market share of 11.9% in home robotic systems in terms of retail sale in 2024. In the Japanese market, we ranked first in home robotic system industry in terms of retail sales from 2022 to 2024.

RISK FACTORS

Our business operations and the Global Offering involve certain risks and uncertainties. Please refer to the section headed "Risk Factors" in this prospectus for further information. Some of the major risk factors are set forth as follows:

- There are uncertainties in the future market demand for home robotic system products, and our order-by-order sales model presents additional risks to our business growth.

- The home robotic system market is still emerging and may not grow as rapidly as anticipated, which could adversely affect our business prospects.

- We have invested heavily in R&D for robotic technologies, but these investments face significant risks and uncertainties that could materially affect our business prospects.

- We have operations in a number of different countries and jurisdictions, which are subject to legal, regulatory, operational and other risks inherent in international and cross-border operations.

- Our business relies, and may continue to rely, on certain prominent e-commerce platforms, in particular, Amazon, for its operations, and is exposed to various risks associated with operating on these platforms.

- Alternative technologies, evolving standards and uncertain public acceptance of AI technologies pose risks to our home robotic system business.

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China and other major jurisdictions where our products are sold. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material and systemic non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition. As advised by our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects.

RECENT REGULATIONS IN RELATION TO TARIFFS, EXPORT CONTROLS AND SANCTIONS

U.S. Tariff Policies

Since early 2025, the U.S. government has adopted new tariff measures that increased duties on imports from China, including certain of our products.

As a result, our core home robotic system products exported from the PRC to the U.S. were subject to elevated U.S. tariffs. Based on the best knowledge, information and belief of the Directors as of the Latest Practicable Date, the maximum U.S. tariff rate applicable to our core products was approximately 63%, subject to product classification and any other applicable duties, exclusions and adjustments. U.S. tariff and trade policies are subject to change and may be amended, expanded or replaced with little or no advance notice. For further details of recent U.S. and PRC tariff measures, see "Regulatory Overview — Laws and Regulations in relation to Importation of Goods into the United States — Tariffs".

The Directors are of the view that the U.S. tariffs imposed on our products have not had, and are not expected to have, any material adverse effect on our business operations or financial performance, based on the following key considerations:

(i) *Market diversification:* We have significantly reduced our reliance on the U.S. market through global expansion, and the majority of our revenue growth during the Track Record Period came from other key markets such as Japan and Europe.

(ii) *Customer sales distribution:* Our largest customers focus primarily on non-U.S. markets, and we have not experienced any material adverse impact on order volume, pricing, customer payments or logistics as a result of U.S. tariffs.

(iii) *Strong pricing power:* We have maintained robust pricing power and product competitiveness globally, with continued growth in sales volume and stable or increasing prices in the U.S. despite higher tariffs.

(iv) *Product differentiation and flexibility:* Our focus on innovative, higher-end product categories and our vertically integrated operations enable us to adjust costs and supply arrangements effectively, mitigating the impact of tariff-related cost increases.

On the basis of the above, our Directors are of the view that existing U.S. tariffs have not had, and are not expected to have, any material adverse effect on our business operations or financial performance. Based on their independent due diligence work, nothing has come to the attention of the Joint Sponsors which would cause them to cast doubt on the reasonableness of the Directors' views.

U.S. Export Controls and Sanctions

The U.S. maintains export control and economic sanctions regimes administered by:

- the U.S. Department of Commerce, Bureau of Industry and Security (BIS), primarily under the Export Administration Regulations (EAR) and related restricted-party lists (collectively, the "BIS Lists"); and

- the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC), which administers various sanctions programs and restricted-party lists (collectively, the "OFAC Lists").

We utilize certain semiconductor chips in our products. The Directors are of the view that the potential risks related to U.S. sanctions or export controls on our use of such chips are minimal and that such regulations are not expected to have a material adverse impact on our business.

In forming this view, the Directors have taken into account, among others, that (i) our products are consumer products for household use and the chips used support standard (rather than advanced or sensitive) functions; (ii) as advised by our U.S. Legal Advisers, current U.S. export control and sanctions measures focus on advanced semiconductors, sensitive technologies and restricted jurisdictions, parties or end-uses, and the chips used in our products during the Track Record Period did not fall within such categories; (iii) during the Track Record Period, we did not procure products from any entity on the OFAC Lists, and, as advised by our U.S. Legal Advisers, none of our major semiconductor suppliers, nor their identified principal officers, is listed on any BIS or OFAC restricted-party list, our limited purchases of chips originally manufactured by BIS-listed entities were immaterial, indirect and have ceased as of the Latest Practicable Date, and such procurement activities do not trigger U.S. export control restrictions under the EAR; and (iv) as advised by our U.S. Legal Advisers, our products do not involve military, proliferative or other sensitive applications, and based on the nature of our products and the chips used (including U.S.-branded chips manufactured primarily in Asia), our products and related procurement and distribution activities are not subject to U.S. sanctions laws or export control prohibitions and do not give rise to licensing requirements under the EAR or OFAC regulations, as the semiconductors used are treated as EAR99.

We monitor developments in relevant U.S. export control and sanctions regimes on an ongoing basis and will adjust our procurement and distribution arrangements as necessary.

Accordingly, our Directors are of the view that existing U.S. export controls and sanctions have not had, and are not expected to have, any material adverse effect on our business operations or financial performance, and that the risk of future restrictions materially affecting our business is low. Based on their independent due diligence work, nothing has come to the attention of the Joint Sponsors which would cause them to cast doubt on the reasonableness of the Directors' views.

For more information, please refer to "Business — Recent Regulations in Relation to Tariffs, Export Controls and Sanctions." in this prospectus.

Impact of Small Parcel Tariff Policy

In the United States, the "small parcel tariff" regime generally refers to the de minimis exemption under Section 321 of the U.S. Tariff Act, which, as advised by our U.S. Legal Adviser, allows low-value parcels (valued at US$800 or below) shipped directly to U.S. consumers to enter duty-free. As our products are shipped in bulk to U.S. warehouses and fulfilled locally to end consumers, such shipments do not fall within the scope of this de minimis small-parcel regime. Accordingly, the U.S. small parcel tariff policy has not had any material impact on our procurement costs, pricing or margins during the Track Record Period and up to the Latest Practicable Date. The Group will continue to monitor any changes in U.S. de minimis or import-duty policies and adjust its fulfilment arrangements as appropriate.

Potential Net Loss

We expect to incur a net loss for the year ended December 31, 2025, and such loss-making position may continue or even increase thereafter. We anticipate this result primarily because (i) we expect to continue incurring expenses in connection with the Listing prior to the Listing Date; and (ii) we are enhancing our core technologies, which requires substantial and ongoing investments in, among other things, recruiting R&D talent and strengthening our technological capabilities. These efforts are intended to maintain our competitive market position and are expected to support our future revenue growth. Nevertheless, we have implemented and will continue to implement measures to enhance sustainability and drive business growth, with the goal of achieving sustained profitability. For more information, please see "Business — Path to Sustainability" in this prospectus.

After performing sufficient due diligence work which 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 June 30, 2025, being the date on which our latest audited consolidated financial statements were prepared, and there is no event since June 30, 2025 which would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

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

"Accountant's Report"	the accountant's report of our Group for the Track Record Period as set out in Appendix I to this prospectus
"Acting-in-concert Agreement"	the acting in concert agreement dated September 8, 2022 entered into between Mr. Li and Mr. Pan, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"affiliate(s)"	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Amazon"	Amazon.com. Inc. and its subsidiaries
"Amazon SC"	Amazon Seller Central Program, a platform that enables third-party sellers to list and sell products directly to end consumers through the Amazon marketplace
"Amazon VC"	Amazon Vendor Central Program, a platform that allows manufacturers and distributors to sell products wholesale directly to Amazon, which then resells these products to end consumers
"Articles" or "Articles of Association"	the articles of association of our Company, which shall become effective upon Listing, as amended from time to time, a summary of which is contained in Appendix V to this prospectus
"ASP"	average selling price
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Authorized Representatives"	the authorized representatives of our Company for the purpose of Rule 3.05 of the Listing Rules
"AWS"	Amazon Web Services, a cloud computing platform provided by Amazon
"Board" or "Board of Directors"	the board of directors of our Company

"Brizan Ventures V"	Brizan Ventures V LP, an exempted limited partnership registered under the laws of Cayman Island on January 8, 2025 and a Pre-IPO Investor controlled by Professor Ko and Mr. Kwong U Hoi Andrew (鄺宇開)
"business day(s)"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAGR"	compound annual growth rate
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chairman"	the chairman of our Board
"China" or "PRC" or "mainland China"	the People's Republic of China excluding for this purpose of this prospectus, Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan region
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	OneRobotics (Shenzhen) Co., Ltd.* (臥安機器人(深圳)股份有限公司), a limited liability company established in the PRC on October 18, 2018 and converted into a joint stock limited company on April 25, 2025
"Company Law" or "PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》) as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholder(s)" or "Controlling Shareholder Group"	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Li, Mr. Pan and Wonder Innovation ESOP, as further detailed in the section headed "Relationship with Our Controlling Shareholder Group" in this prospectus
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"COVID-19"	COVID-19 virus, a coronavirus identified as the cause of an outbreak of respiratory illness that believed to have first emerged in late 2019
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dongguan Yunhe"	Dongguan Yunhe Equity Investment Company Limited (東莞蘊和股權投資有限公司), a limited liability company established under the laws of the PRC on December 20, 2017 and a Pre-IPO Investor which is ultimately controlled by Professor Li, our non-executive Director
"DTC"	direct-to-customer
"Early 2021 Capital Increase"	the financing of our Company completed in May 2021, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
"ESG"	environmental, social, and corporate governance
"EU Data Compliance Advisers"	Studio Legale De Berti Jacchia Franchini Forlani, the legal advisers of our Company as to European Union data compliance matters

"Exchange Participant(s)"	a person (a) who, in accordance with the Hong Kong Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong
"FBA"	fulfillment by Amazon
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Listings
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company, which is an Independent Third Party
"Frost & Sullivan Report"	an independent market research report commissioned by our Company on the global home robot industry and the global home robotic system and prepared by Frost & Sullivan, as referred to in the section headed "Industry Overview" in this prospectus
"GDPR"	General Data Protection Regulation, Europe's data privacy and security law
"German and EU Legal Adviser"	Rödl & Partner, the legal advisers of our Company as to German and European Union laws
"GFA"	gross floor area
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", "us", or "our"	our Company and its subsidiaries from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities or the predecessors of the present subsidiaries (as the case may be) which carried on the business of the present Group at the relevant time
"GSA"	gross site area

"Guide"	the Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HK$", "Hong Kong dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO channel"	the arrangement in these HKSCC Operational Procedures for instructions to be given electronically to HKSCC by Participants via FINI for applications to be made on their behalf for new issue shares and for the payment of application moneys, and for those instructions to be acted upon
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, 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 Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Hong Kong Offer Shares"	the 2,222,300 H Shares initially being offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus)

"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions as further described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting — Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement, dated December 17, 2025, relating to the Hong Kong Public Offering, entered into by among others, our Company, the Joint Sponsors, the Joint Sponsor-OCs and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses" in this prospectus
"H Share(s)"	overseas-listed, foreign-invested, ordinary shares issued by us with a nominal value of RMB0.10 each in the share capital of our Company, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for listing and permission to trade on the Stock Exchange
"H-Share Full Circulation"	the conversion of 200,000,000 Unlisted Shares in aggregate (representing the entire issued Unlisted Shares) held by the H-Share Full Circulation Participating Shareholders upon the completion of the Global Offering. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on June 8, 2025 and CSRC has issued the filing notice in respect of the Global Offering dated December 5, 2025; and an application for H Shares to be listed on the Stock Exchange has been made to the Listing Committee
"H-Share Full Circulation Participating Shareholder(s)"	a total of 200,000,000 Unlisted Shares that will be converted into H Shares upon completion of the Global Offering
"IAS"	International Accounting Standards
"IFRS(s)"	International Financial Reporting Standards which include standards and interpretations promulgated by the International Accounting Standards Board

"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company
"IEEE"	Institute of Electrical and Electronics Engineers
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act or any other available exemption from the registration requirement under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Offer Shares"	the 20,000,000 new H Shares being initially offered for subscription and purchased at the Offer Price under the International Offering together, where relevant, with any additional H Shares that may be sold and transferred pursuant to any exercise of the Over-allotment Option, subject to reallocation as described under the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering and expected to be entered into by, *inter alia*, our Company, the Joint Sponsors, the Joint Sponsor — OCs and the International Underwriters on or about December 24, 2025, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — The International Offering" in this prospectus
"Japanese Legal Advisers"	TMI Associates, the legal advisers of our Company as to Japanese laws
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus

"Joint Sponsors"	Guotai Junan Capital Limited and Huatai Financial Holdings (Hong Kong) Limited (in alphabetical order)
"Joint Sponsor-OCs"	Guotai Junan Securities (Hong Kong) Limited and Huatai Financial Holdings (Hong Kong) Limited (in alphabetical order)
"Latest Practicable Date"	December 11, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around December 30, 2025, from which the H Shares are listed and dealings in the H Shares are permitted to take place on the Main Board of the Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MIIT"	The Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Li"	Mr. Li Zhichen (李志晨), our co-founder, chairman of our Board, the chief executive officer of our Company and an executive Director, and a member of the Controlling Shareholder Group
"Mr. Pan"	Mr. Pan Yang (潘陽), our co-founder, executive Director and the chief technology officer of our Company, and a member of the Controlling Shareholder Group
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board

"Offer Price"	the offer price per Offer Share (exclusive of brokerage of 1.00%, Stock Exchange trading fee of 0.00565%, SFC transaction levy of 0.0027% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed pursuant to the Global Offering
"Offer Shares"	Hong Kong Offer Shares and International Offer Shares
"OIR Legal Advisers"	Holman Fenwick Willan LLP, our legal advisers as to U.S. Outbound Investment Rule
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters under the International Underwriting Agreement, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 3,333,300 H Shares at the Offer Price, to cover over-allocations in the International Offering, if any, as further described in "Structure of the Global Offering" in this prospectus
"Overall Coordinators"	has the meaning given to it in the Listing Rules and, unless the context requires otherwise, refers to the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" in this prospectus
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Data Compliance Adviser"	Jingtian & Gongcheng, the legal advisers of our Company as to the PRC data compliance matters
"PRC GAAP"	generally accepted accounting principles of PRC
"PRC government" or "State"	the Central People's Government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
"PRC Legal Advisers"	Jingtian & Gongcheng, the legal advisers of our Company as to PRC laws in connection with the Global Offering
"Pre-IPO Investment(s)"	the investments made by the Pre-IPO Investors in our Group, details of which are set out in "History and Corporate Structure — Pre-IPO Investments" in this prospectus
"Pre-IPO Investor(s)"	the pre-IPO investors of our Company, details of which are set out in "History and Corporate Structure — Pre-IPO Investments" in this prospectus

"Price Determination Agreement"	the agreement expected to be entered into among our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or about the Price Determination Date to record the agreement on the final Offer Price
"Price Determination Date"	the date, expected to be on or around Wednesday, December 24, 2025 (Hong Kong time), on which the Offer Price is determined, or such later time as our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) may agree, but in any event not later than 12:00 noon on Wednesday, December 24, 2025 (Hong Kong time)
"Professor Ko"	Professor KO Ping Keung (高秉強), our non-executive Director and one of the ultimate controller of Brizan Ventures V, our Pre-IPO Investor, details of which are set out in "History and Corporate Structure — Pre-IPO Investments" in this prospectus
"Professor Li"	Professor LI Zexiang (李澤湘), our non-executive Director and the ultimate controller of Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe, our Pre-IPO Investors, details of which are set out in "History and Corporate Structure — Pre-IPO Investments" in this prospectus
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Accountants"	Ernst & Young, the reporting accountants of our Company
"RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable

"SAT"	State Administration of Taxation (國家稅務總局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Series Angel Financing"	the financing of Woan Technology completed in October 2017, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series A Financing"	the financing of our Company completed in July 2020, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series A+ Financing"	the financing of our Company completed in February 2021, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series B Financing"	the financing of our Company completed in November 2021, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series B+ Financing"	the financing of our Company completed in March 2022, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series C Financing"	the financing of our Company conducted in May 2025, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Series Pre-A Financing"	the financing of our Company completed in December 2018, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of RMB0.10 each in the share capital of our Company, comprising our Unlisted Shares and our H Shares
"Shareholder(s)"	holder(s) of Shares

"Share Subdivision"	the subdivision of our Shares whereby each of our Shares with a nominal value of RMB1.00 each shall be sub-divided into 10 Shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the Listing, the details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Songshan Lake Robot Institute"	Dongguan Songshan Lake International Robot Research Institute Co., Ltd (東莞松山湖國際機器人研究院有限公司), a limited liability company established under the laws of the PRC on February 1, 2016 and a Pre-IPO Investor which is ultimately controlled by Professor Li, our non-executive Director
"sq.m."	square meters
"Stabilising Manager"	Guotai Junan Securities (Hong Kong) Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"SwitchBot JP"	SWITCHBOT Co., Ltd. (SWITCHBOT株式会社), a private limited liability company incorporated under the laws of Japan on September 24, 2020. As of the Latest Practicable Date, SwitchBot JP was held by us as to 100%
"SwitchBot US"	SWITCHBOT INC, a corporation organized under the General Corporation Law of the State of Delaware, the United States, on October 11, 2021. As of the Latest Practicable Date, SwitchBot US was held by us as to 100%
"Takeovers Code"	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 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 Shares in the share capital of our Company with a nominal value of RMB0.10 each, which are subscribed for and paid up in RMB
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollar"	United States dollars, the lawful currency of the United States
"U.S. Legal Advisers"	The Law Office of Mark. A Kerstein, the legal advisers of our Company as to the United States laws
"U.S. Securities Act"	the United States Securities Act 1933, as amended, supplemented or otherwise modified from time to time
"VAT"	Value-added tax
"**White Form eIPO**"	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.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Woan HK"	Woan Technology Limited (臥安科技有限公司), a private company limited by shares incorporated under the laws of Hong Kong on May 4, 2020. As of the Latest Practicable Date, Woan HK was held by us as to 100%
"Woan Technology"	Woan Technology (Shenzhen) Co., Ltd.* (臥安科技(深圳)有限公司), a limited liability company established under the laws of the PRC on January 22, 2015. As of the Latest Practicable Date, Woan Technology was held by us as to 100%
"Wonder Innovation ESOP"	Wonder Innovation Technology (Shenzhen) Partnership (Limited Partnership) (萬德創新科技(深圳)合夥企業(有限合夥)), a limited liability partnership established under the laws of the PRC on May 27, 2017 and an employee share ownership platform controlled by Mr. Li as its general and executive managing partner
"Wonderlabs HK"	Wonderlabs Limited (萬德創新科技有限公司), a private company limited by shares incorporated under the laws of Hong Kong on March 16, 2018. As of the Latest Practicable Date, Wonderlabs HK was held by us as to 100%

"Wonderlabs US"	WONDERLABS, Inc., a corporation organized under the General Corporation Law of the State of Delaware, the United States, on January 23, 2017. As of the Latest Practicable Date, Wonderlabs US was held by us as to 100%
"Yinghu Intelligent"	Yinghu Intelligent Technology Company Limited (盈湖智能科技有限公司), a limited liability company established under the laws of the PRC on May 23, 2018 and a Pre-IPO Investor which is ultimately controlled by Professor Li, our non-executive Director
"%"	per cent

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

In this prospectus, unless otherwise stated, certain amounts denominated in RMB have been translated into Hong Kong dollars or U.S. dollars at an exchange rate of RMB0.90862 = HK$1.00 or RMB7.0686 = US$1.00, respectively, for illustration purpose only. Such conversions shall not be construed as representations that amounts in RMB were or could have been or could be converted into Hong Kong dollars or U.S. dollars at such rates or any other exchange rates on such date or any other date.

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. If there is any inconsistency between the names of any of the entities, laws and regulations mentioned in this prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail. The English translations are marked with "" for identification purpose only.*

Unless otherwise specified, all relevant information in this prospectus assumes no exercise of the Over-allotment Option.

This glossary of technical terms contains explanations of certain terms used in this prospectus as they relate to our Company and as they are used in this prospectus in connection with our business or us. These terms and their given meanings may not correspond to standard industry definitions.

"adaptive topology networking"	a network architecture that dynamically adjusts its structure and routing paths based on changing conditions, enabling efficient communication between multiple devices in smart home environments with minimal latency and enhanced reliability
"AI"	artificial intelligence
"AI tennis robot"	refers to a tennis robot that is capable of receiving, serving and rallying skills
"AI machine vision control technology"	technology that enables robots to perceive and interpret visual information from their environment using artificial intelligence algorithms, allowing for accurate object recognition, spatial awareness, and context-based decision-making in home scenarios
"autonomous learning"	the capability of AI systems to independently acquire knowledge, improve performance, and adapt to new situations without explicit human programming, typically through analyzing patterns in data and environmental interactions
"BLE"	bluetooth low energy, a wireless personal area network technology
"Bio-inspired Neural Communication Protocol"	a communication protocol designed for artificial systems that draws on the structure, functions, and communication mechanisms of biological nervous systems, aiming to enhance the performance of systems such as intelligence, adaptability, and efficiency
"cloud-based"	referring to applications, services, or resources that are delivered and accessed over the internet rather than being hosted locally, allowing for remote data processing, storage, and management
"cloud computing"	the delivery of computing services, such as servers, storage, databases, networking, software, analytics, and intelligence, over the internet
"CMOS"	complementary metal-oxide-semiconductor, a technology used in constructing integrated circuit chips, particularly for image sensors in robotic vision systems

"communication protocol"	a set of rules and standards that define how data is transmitted and received between electronic devices, ensuring consistent and reliable information exchange
"dexterous hand-mimic robot"	designed for home living scenarios, these robotic products simulate the functional movements of human "fingers" and "wrists" using robotics technology to perform physical interactions like pressing, dialing, and rotating. Typical products include finger robots, lock robots and curtain robots
"diffusion model"	a type of generative AI model that creates data by gradually transforming random noise into a coherent output through an iterative denoising process, enabling robots to generate novel solutions to complex tasks
"distributed neural control network technology"	a decentralized system that distributes AI processing and decision-making across multiple interconnected nodes in a robotic system, allowing for more efficient task execution, fault tolerance, and scalable control architecture
"EBITDA"	earnings before interest, taxes, depreciation, and amortization
"Electrical Appliances and Materials"	devices, machines, or components that utilize electrical energy for operation, as well as the materials used in their construction or related applications. This includes but is not limited to household appliances, industrial electrical equipment, wiring materials, and components such as switches, sockets, and cables. In the context of the Electrical Appliance and Material Safety Act, the term specifically covers items categorized under the act to ensure safety and regulatory compliance
"edge intelligence" or "edge computing"	the deployment of computing resources and AI capabilities directly on or near devices where data is generated, reducing latency and bandwidth usage by processing information locally before transferring selected data to cloud systems
"enhanced mobile robot"	this refers to robots that expand home automation capabilities through multi-functional combinations — such as whole-house patrolling with cameras or refilling humidifiers — by mimicking human "foot" movements. Designed for scenario extension, they integrate compound functions (e.g., sweeping + object transport) to enhance smart home ecosystems

"execution-enhanced robot"	execution-enhanced robot is a mechanical product specifically designed for home living scenarios. By leveraging technologies such as motion control and mechanical engineering, it utilizes robotics to simulate the movements of human "hands" and "feet," enabling physical interaction. As the motion execution component of a home robotic system, it can replicate human actions, freeing users from manual tasks. Through integration with perception and decision-making control systems, the robot can perform more complex home automation tasks, making household life smarter and more efficient
"general home robotics"	hub products: communication hubs primarily designed for connectivity, without local computing capabilities; execution products: home robots that can only connect to communication hubs, as well as those that can connect to smart decision-making hubs but lack enhanced functionalities. Examples include cameras without edge computing or preprocessing, smart lighting control systems, smart speaker systems, and household robots
"home robotic system"	in modern smart home environments, advanced robotic systems combine AI decision-making, robotic actuation, and IoT connectivity to achieve remarkably human-like functionality. These systems precisely mimic human dexterity (through robotic hands and limbs), mobility (via adaptive locomotion systems), and cognitive processing (including, among others, but not limited to eye and skin). The integration of multi-modal sensors including 3D vision, tactile feedback, and environmental scanners enables seamless real-world interaction. By leveraging edge computing and distributed IoT networks, the system maintains continuous situational awareness while executing complex domestic tasks. This technological synergy ultimately creates responsive, context-aware home assistants that learn and adapt to residents' unique living patterns
"home robots"	in daily home living scenarios, home robots are integrated with artificial intelligence (AI), robotics, and sensor technology. They can connect with a communication hub or a smart decision-making hub and operate under its control to autonomously complete household tasks and routines
"IMU"	inertial measurement unit, a device that measures and reports a body's specific force, angular rate, and sometimes orientation, using a combination of accelerometers, gyroscopes, and sometimes magnetometers

"IoT"	internet of things, the network of physical objects embedded with sensors, software, and other technologies for connecting and exchanging data with other devices and systems over the internet
"ID"	industrial design, which encompasses the visual, ergonomic, and aesthetic design of a product's physical appearance and structure, focusing on how the product looks, feels, and interacts with users. At this stage, industrial design involves creating the tangible form of the product, ensuring it aligns with both functional requirements and user experience objectives
"IR"	infrared, electromagnetic radiation with wavelengths longer than those of visible light, used in sensing, communication, and heat detection in robotic systems
"IT"	information technology
"LIDAR"	light detection and ranging, a remote sensing method that uses light in the form of a pulsed laser to measure ranges to create precise, three-dimensional information about the surrounding environment
"meta-learning"	a machine learning approach where systems learn how to learn, developing the ability to quickly adapt to new tasks with minimal data by leveraging knowledge gained from previous learning experiences
"minimum viable product delivery verification"	the process of ensuring that the firmware of an Engineering Verification Test prototype meets the essential functional requirements necessary for the product to be deemed viable. The verification focuses on confirming that the firmware supports the most critical features required for the product to operate and deliver basic value to users, without including all potential features or optimizations
"motion control"	the technology governing the precise movement of robotic components through algorithms that coordinate velocity, acceleration, and positioning to achieve smooth and accurate mechanical actions
"multi-level robot task architecture"	a hierarchical framework that organizes robotic tasks into different levels of abstraction. from high-level goal planning to mid-level action sequencing to low-level motion execution, enabling efficient task completion through structured decomposition

"neural network"	a computational model that imitates the structure of human brain neurons. Through communication links between devices and learning via relevant data algorithms, it achieves autonomous decision-making and intelligent control among home devices
"NFC"	near-field communication, a set of communication protocols that enables communication between two electric devices within close proximity, usually within 4 centimetres
"NPU"	neural processing unit, a specialized computer microprocessor designed to mimic the processing function of the human brain
"perception and decision-making system"	the sensory devices and smart hub form the intelligent decision-making core of AI-powered home robots, mimicking human brain, skin and eye functions for household applications. This perception-decision system enables multi-device coordination through shared computing power and AI-powered visual processing, dynamically prioritizing tasks like cleaning and security while continuously optimizing decisions via machine learning. By integrating edge-cloud computing with adaptive algorithms and knowledge graphs, it creates a self-improving smart home ecosystem with autonomous learning capabilities
"PSE"	Product Safety of Electrical Appliances and Materials. It is a marking required under Japan's Electrical Appliance and Material Safety Act (電氣用品安全法) for electrical appliances and materials that must comply with specific safety standards. The PSE mark indicates that the product has met the safety requirements set by Japanese regulations, and it is mandatory for certain categories of electrical products to bear this mark before they can be sold or imported into Japan
"reinforcement learning"	an interdisciplinary area of machine learning where an agent learns to make decisions by performing actions and receiving feedback in the form of rewards or penalties
"robot(s)", "robotic(s)"or "robotic product(s)"	means an actuated mechanism programmable in two or more axes with a degree of autonomy (i.e. the ability to perform intended tasks based on current state and sensing, without human intervention), moving within its environment, to perform intended tasks

"robot positioning and environment construction technology"	technology that enables robots to accurately determine their location within physical spaces and build detailed digital representations of their surroundings, facilitating navigation and interaction with objects
"robotic motion planning and control"	robotic motion planning and control refers to the process of breaking down a desired movement task into discrete motions that satisfy movement constraints and optimize some aspect of the movement
"self-healing network"	a network system capable of automatically detecting, diagnosing, and repairing connectivity issues or failures without human intervention, ensuring continuous communication between smart home devices
"Sim2Real"	a technical approach that transfers knowledge from real-world environments to simulations and back again, allowing robots to learn safely in virtual environments before applying those skills in physical spaces
"SLAM"	simultaneous localization and mapping
"smart home product(s)"	smart home products refer to a new generation of home service products that integrate advanced intelligent IoT devices, control chips, communication technologies and other intelligent technologies. Smart home products can usually achieve remote control, automated management or intelligent responses in an intelligent way, and can automatically adjust according to users' needs and changes in the environment, providing consumers with more convenient, comfortable and safe living experiences
"SPU"	Standard product unit, a standardized classification of products that share common attributes, specifications or functionality regardless of variations in size, color or packaging
"structural tooling"	the physical molds, dies, fixtures, or specialized equipment used to manufacture and shape the structural components of a product (e.g., hardware enclosures and mechanical parts). It involves the design and fabrication of tools that directly influence the physical form, durability, and assembly of hardware, often requiring verification through firmware support to ensure compatibility and functionality
"TOps"	tera operations per second, a measure of computing performance indicating the ability to process one trillion operations per second, often used to quantify AI processing capabilities

"visual algorithm"	mathematical procedures and computational methods used to process, analyze, and interpret visual data from cameras and other optical sensors, enabling robots to recognize objects and understand their environment
"vision-language-action model" or "VLA model"	an integrated AI framework that connects visual perception, natural language understanding, and physical action execution, allowing robots to interpret visual scenes, understand verbal instructions, and perform appropriate physical responses

This prospectus contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "anticipate", "believe", "could", "estimate", "expect", "forecast", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would", "wish" and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our Company's management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These forward-looking statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Risk Factors", "Business", "Financial Information" and other sections in this prospectus. You should read thoroughly this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect.

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 that could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals;
- our business operations and prospects;
- our future business development, financial conditions and results of operations;
- the expected growth of the global home robot industry and home robotic system industry and the markets in which we operate;
- our expectations regarding the demand for our products;
- our ability to maintain good relationships with our business partners;
- our ability to manage our risk exposure;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- the future developments, trends and conditions (including economic, political and business conditions), as well as competitive environment in our industry;
- our ability to stay in compliance with the laws and regulations that currently apply or become applicable to our business both in the PRC and internationally;

- our future debt levels and capital needs;
- our capital expenditure plans;
- intellectual property;
- margins, overall market trends, risk management and exchange rates;
- the actions and developments of our competitors;
- capital market development;
- other statements in this prospectus that are not historical fact; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this prospectus.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such statements. Any forward-looking statements speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no responsibility to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of any subsequent unanticipated event. Statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below before making an investment decision in our H Shares. Our business, financial condition, results of operations or prospects may be materially and adversely affected by any of these risks and the trading price of our H Shares may decline as a result. You may lose all or part of your investment.

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

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and our industry; (ii) risks relating to doing business in the jurisdictions in which we operate; and (iii) risks relating to the Global Offering. There may be additional risks and uncertainties presently not known to us or not expressed or implied below or those we currently deem immaterial could also harm our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including the risks discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

There are uncertainties in the future market demand for home robotic system products.

According to Frost & Sullivan Report, the global home robotic system industry is characterized by evolving technologies, products, increasing competition, changing government regulations and industry standards, and rapidly shifting consumer living habits and preferences. The global home robotic system market has experienced significant growth, with market size increasing from RMB2.2 billion in 2022 to RMB5.9 billion in 2024, representing a CAGR of 63.7%. The market size is expected to reach RMB70.7 billion in 2029, representing a CAGR of 64.2% from 2024 to 2029. Similarly, the penetration rate of home robots has increased from 1.0% in 2022 to 2.3% in 2024, and is expected to reach 16.2% in 2029. The future growth of the home robotic system industry may be subject to various uncertainties, including, but not limited to, the change of consumer adoption, potential impact from macroeconomic fluctuations, the development and expanding applications of AI technologies, and increasing competition from alternative smart home solutions. If the market for home robotic system products does not develop as we expected or develops more slowly than we anticipated, our business, prospects, financial condition and results of operations will be adversely affected.

Our revenue increased from RMB274.6 million for the year ended December 31, 2022 to RMB457.3 million for the year ended December 31, 2023, and further to RMB609.9 million for the year ended December 31, 2024. Our revenue also increased from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. According to Frost & Sullivan Report, the global market size of the home robotic system industry has grown rapidly from approximately RMB2.2 billion in 2022 to RMB5.9 billion in 2024, representing a CAGR of 63.7%, and is expected to grow to RMB70.7 billion in 2029, representing a CAGR of 64.2% between 2024 and 2029. However, we cannot assure you that these markets will continue to grow at the same rate, that we will continue to generate the same or higher level of revenue, or that our business will continue to grow.

Our order-by-order sales model presents risks to our business growth.

Our business model faces specific challenges related to product lifecycle and purchase patterns. Our home robotic system products, such as our curtain robots, lock robots, finger robots, and enhanced mobile robots, are designed with relatively long lifecycles compared to many other consumer electronics and can remain functional for several years after purchase. Under our DTC channels, end consumers typically procure our products through direct purchases on a case-by-case basis, without recurring purchase commitments. Given this market reality, there is no assurance that users will place reorders, repurchase newer models, or upgrade their existing products within a short period of time, or at all.

Furthermore, it is part of our strategies to diversify and broaden our product offerings across different home living scenarios incorporating our technologies. Our comprehensive product matrix includes execution-enhanced robots and perception and decision-making system products. There is no assurance that positive consumer attitudes will remain unchanged or that market demand for our products will continue to grow at the level we expect.

The use and implementation of our products do not usually require continuous post-sales service and operational support, as they are designed to be used by end consumers independently. Although there are attempts within the industry to promote recurrent revenue models through premium services or subscription offerings, the market understanding of such models is still immature, and it takes time to cultivate a recurrent spending pattern among customers.

If we fail to attract new customers and/or retain existing customers, or if consumer preferences for home robotic system products shift or market adoption slows, our business, financial condition, results of operations and prospects would be materially and adversely affected.

Our business relies, and may continue to rely, on certain prominent e-commerce platforms, in particular, Amazon, for its operations, and is exposed to various risks associated with operating on these platforms.

During the Track Record Period, we generated a large portion of our revenue from certain prominent e-commerce platforms, in particular, Amazon, through Amazon VC and Amazon SC. Amazon was our largest customer, and we generated RMB145.1 million, RMB178.2 million, RMB218.6 million, RMB112.4 million and RMB175.2 million of revenue from Amazon VC for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 52.8%, 38.9%, 35.8%, 40.9% and 44.2% of our total revenue for the same periods, respectively. In addition, we generated RMB79.8 million, RMB120.0 million, RMB173.0 million, RMB62.7 million and RMB90.4 million of revenue through Amazon SC for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, accounting for 29.1%, 26.3%, 28.4%, 22.8% and 22.8% of our total revenue for the same periods, respectively.

We cannot assure you that we will be able to maintain our collaboration with Amazon, or other e-commerce platforms on favorable terms. As our sales volume increases, Amazon and other e-commerce platforms may gain increasing bargaining power to demand higher rebates, discounts, or less favorable terms. These platforms can also suspend seller accounts and withhold proceeds under certain circumstances, such as alleged violations of platform policies, suspected fraudulent activities, intellectual property infringement claims or others. Our agreements with partners generally do not prohibit them from working with our competitors or selling competing products. Competitors may be more effective in providing incentives to e-commerce platforms to favor their products and promote their sales.

In addition, any change in product placement algorithms or search result rankings could significantly reduce traffic to our product listings. E-commerce platforms may modify their terms of service, commission structures, advertising policies, or operational requirements without prior notice, potentially requiring us to adjust our business practices and increasing our costs.

Moreover, the proper functioning of these e-commerce platforms is critical to our business success. We coordinate major promotions around key e-commerce events like Black Friday, which create significant sales volume. Any system failures or reduced performance during these high-volume periods could materially affect our sales and damage our business.

Building and maintaining strong relationships with our third-party e-commerce platforms requires significant time and resources. Any deterioration in these relationships, or any material disruptions to the operations of Amazon, or other third-party e-commerce platforms could significantly reduce our sales volume and market reach. Please see the section headed "Business — Customers — Our Relationship with Amazon" in this prospectus. While we continue to develop our self-operated website and diversify through other offline retail and distribution channels, these alternatives may not be able to match the scale and efficiency of major third-party e-commerce platforms, particularly in key markets such as Japan, Europe and North America. If we were to lose access to these platforms, we would face substantial challenges in quickly establishing alternative sales channels with comparable reach and customer bases. Our inability to find suitable alternatives in a timely manner and on favorable commercial terms would likely result in revenue losses, potentially causing material adverse effects on our business operations, financial condition, and profitability.

We have invested heavily in R&D for our technologies, but these investments face significant risks and uncertainties that could materially affect our business prospects.

The home robotic system industry is still evolving, with its full potential yet to be realized. Achieving the level of functionality needed to satisfy increasingly complex customer demands requires significant technological advancement across multiple disciplines. Our vision demands the seamless integration of various robotic and AI technologies to deliver the enhanced functionalities end consumers expect.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our R&D expenses amounted to RMB61.8 million, RMB89.2 million, RMB112.0 million, RMB56.7 million and RMB58.7 million, respectively. We intend to continue these substantial investments as technological innovation is critical to our competitive position in this rapidly evolving industry.

However, several factors create uncertainty around the return on these investments:

- Technical development across different disciplines progresses at uneven rates, potentially creating bottlenecks in our product development;

- As home robotics gain popularity, unexpected technical challenges may emerge;

- We may need to dedicate additional resources to R&D, lengthening development cycles and increasing expenses; and

- Product development requires not only significant investment but also successful execution across multiple domains including (i) designing innovative functions that differentiate our product; (ii) continuously improving our core technology stack; (iii) responding effectively to competitors' technological advancements; and (iv) adapting quickly to evolving market conditions and customer preferences.

Despite our continued R&D investments, we may encounter unforeseen technical and production challenges or delays in developing new products or enhancing existing ones. If we fail to overcome these challenges or if technological advancement in any critical discipline falls short of our expectations, we may be unable to satisfy customer demands or achieve broader market acceptance.

Such outcomes would significantly impact our ability to realize the growth potential of our products and services, potentially causing material adverse effects on our business, financial condition, results of operations, competitive position, and future prospects.

We have operations in a number of different countries and jurisdictions, which are subject to legal, regulatory, operational and other risks inherent in international and cross-border operations.

Our business involves international and cross-border operations. We sold our products to over 90 countries and regions around the world during the Track Record Period, particularly in Japan, Europe, and North America. We source raw materials and components primarily from suppliers in the PRC, and our manufacturing facility is currently located in the PRC. As a result of our global footprint, we are subject to the legal, regulatory, operational, economic, commercial and other risks associated with operations in multiple jurisdictions, including:

- fluctuations in foreign currency exchange rates;
- increased costs associated with maintaining the ability to understand the local markets and follow their trends, as well as develop and maintain an effective marketing and distribution presence;
- difficulty in providing efficient customer service and support in certain markets abroad;
- risks associated with dealing with regulatory regimes, regulatory bodies and government policies with which we might be unfamiliar, in order to obtain overseas permits, licenses, and approvals necessary to manufacture or import, market and sell products in or to overseas jurisdictions;
- adverse changes in international laws and agreements, especially those affecting trade and investment;
- trade barriers such as export requirements, sanctions, tariffs, licensing, and other restrictions and prohibitions;
- high costs relating to compliance with the commercial and legal requirements of overseas markets, including those relating to labor, environmental, and industry-specific regulations;
- instability of and disruptions to the global shipping routes, and logistics and warehousing network;
- managing widespread operations and enforcing internal policies and procedures such as compliance with foreign anti-bribery and anti-corruption regulations;
- difficulty in obtaining or enforcing intellectual property rights;
- strict foreign exchange controls and cash repatriation restrictions;
- unanticipated changes in the prevailing political and economic conditions and regulatory requirements;

- risks associated with complying with local tax laws and regulations, including, but not limited to, timely filing of tax returns, tax payment (including value-added tax), payment of import duties and disputes or disagreements with local tax authorities with respect to matters including but not limited to calculation of tax liabilities and preferential tax treatments;

- the instability of governments, including the threat of war, or terrorist attacks; and

- the difficulty of enforcing agreements and protecting assets through legal systems in certain countries.

Our overall success as a global business depends, in part, on our ability to succeed in managing such risks. The risks and their potential impact on us or our business partners vary from country to country and are difficult to predict with any degree of accuracy. We may not be able to develop and implement policies and strategies that address these risks effectively in each location where we conduct business, and there can be no assurance that our exposure to such risks, which may become greater as we expand our international operations, will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints.

In addition, our suppliers and the shipping and warehousing services providers may face the same risks described above. As a result, even if international or cross-border events occur in regions in which we do not operate, such events could still affect our supply and logistics networks and may have a material adverse effect on our business, financial condition and results of operations.

The home robotic system industry is becoming increasingly competitive. If we fail to compete successfully, our business, financial condition and results of operations may be materially and adversely affected.

The home robotic system industry is characterized by increasing competition from diverse market participants. We face competitive pressure from several types of companies across multiple segments of our business.

In the platform ecosystem segment, we primarily compete with open platforms developed by major technology companies with substantial financial resources, established brand recognition, and large user bases. These platforms often serve as the foundation for third-party device integration within smart home environments, potentially limiting the adoption of our home robotic solutions. For our hardware products, we face competition from various specialized manufacturers across different robotic and smart device categories.

In addition, we anticipate potential future competition from large technology hardware companies with strong supply chain capabilities, specialized robotics companies developing advanced robots, and AI foundation model companies that may leverage their technological capabilities to enter the home robotic system industry.

We may also face potential competition from large-scale multinational conglomerates and global technology companies with better financial resources, more sophisticated technological R&D capabilities and broader sales channels than we do, which seek to enter into the markets where we currently operate. Increased competition could result in lower sales, price reductions, reduced margins and loss of market share for us. In response to market competition, we may increase our investments in R&D, and marketing and sales. However, there is no assurance that such investments will be effective. If we fail to compete successfully, or if competing successfully requires us to take costly actions, our business, financial condition and results of operations could be adversely affected.

Our business is dependent on the strengths and market acceptance of our brand. If we fail to maintain, promote and enhance our brand, our business prospect may be adversely affected.

We believe our brand "SwitchBot" is an integral part of and critical to our success. Maintaining and enhancing our brand name will largely depend on our ability to continue to provide competitive, quality, well-designed, useful and reliable products and services to meet market demands. However, we cannot assure you that we will be able to maintain and enhance our brand name.

We believe our brand recognition will increase when competition increases. However, we cannot assure you that our marketing activities such as media coverage, social media marketing, content marketing with influencers/key opinion leaders, and participation in industry exhibitions and events will be successful or that we will be able to achieve the promotional effect we expect or at all. If we are unable to maintain our reputation, enhance our brand recognition or promote our products and services, or if we incur excessive expenses in this effort, our business and growth prospects may be materially and adversely affected.

Alternative technologies, evolving standards and uncertain public acceptance of AI technologies pose risks to our home robotic system business.

During the Track Record Period, we primarily offered a diverse portfolio of home robotic system products including execution-enhanced robots and perception and decision-making systems. For details, please refer to the "Business — Our Brand and Products" section of this prospectus.

The success of our business depends significantly on acceptance of home robotic system products by end consumers, which we cannot guarantee will continue to grow. As AI technology evolves and becomes more commercialized, industry slowdowns could negatively impact our pricing and profit margins. If market adoption decreases due to economic factors, technical limitations, privacy concerns, or regulatory changes, our business and growth prospects could be materially affected.

Robotics and AI technologies are constantly evolving in terms of standards and applications, creating both opportunities and risks for our business. We utilize AI edge computing technologies in our products and are expanding our application of computer vision, visual language models, and other advanced AI capabilities to enhance how our products perceive and interact with home environments. However, as these capabilities grow more sophisticated, so does the complexity of ensuring they operate safely and ethically.

Similar to many disruptive innovations, robotics and AI technologies face public perception challenges that could affect market acceptance, including concerns about job automation, algorithm reliability, safety risks from robotic movements, potential misuse of deep learning, algorithmic bias, surveillance capabilities, and compliance with ethical standards and data protection regulations.

Alternative technologies present another risk to our business model. While our products provide automation through physical devices that interact with the home environment, emerging technologies such as augmented reality, holographic interfaces, and voice-only control systems could potentially reduce or eliminate the need for physical robotic devices. For example, smart glasses or holographic projections might provide virtual interfaces that perform similar functions without requiring physical robots.

If these competing technologies develop faster than anticipated or prove more efficient, user-friendly, and affordable than our products, they could render robotics less relevant or even obsolete in certain scenarios. Despite our plans to position our products as embodiments for artificial intelligence, rapid technological change could undermine the value of our approach.

Any inappropriate use or undetected flaws in robotics and AI technologies — whether actual or perceived, intended or inadvertent, and whether by us or third parties — may dissuade prospective customers, impair general market acceptance, attract negative publicity, and damage our reputation. Such issues may also violate applicable laws and regulations in Japan, countries in North America and Europe, and other jurisdictions, potentially subjecting us to legal proceedings, activist pressures, and increased regulatory scrutiny. Each of these factors could materially and adversely affect our business, financial condition and results of operations.

We may face shortages of key raw materials, which could disrupt our production, increase our costs, and adversely affect our business operations and financial performance.

Our home robotic system products rely on various key components and raw materials, particularly specialized semiconductors that power computations and sensors of our products. Semiconductor chips incorporated in our products are used primarily for standard functionalities, including remote control, seamless communication across our product ecosystem, and data storage. The global semiconductor industry has experienced significant supply chain disruptions and shortages in recent years, and these challenges may continue or recur in the future due to factors beyond our control, including:

- increased global demand for chips across multiple industries, including automotive, consumer electronics, and cloud computing;
- geopolitical tensions and trade restrictions affecting the semiconductor industry;

- concentration of chip manufacturing capabilities in a limited number of companies and regions;
- natural disasters, public health crises, or other events affecting semiconductor production facilities; and
- limited production capacity expansions that cannot keep pace with growing demand.

We source semiconductors and other key components from various suppliers. Although we strive to maintain good relationships with our suppliers and have implemented inventory management strategies to mitigate supply risks, we cannot guarantee that we will be able to secure sufficient quantities of these critical components at commercially reasonable prices in the future.

Any prolonged shortage of semiconductor chips or other key components could:

- disrupt our production schedules and delay product launches;
- increase our procurement costs, potentially reducing our profit margins;
- force us to redesign products to accommodate alternative components, requiring additional R&D expenses;
- prevent us from fulfilling customer orders on time, damaging our reputation and customer relationships; and
- limit our ability to scale production to meet growing market demand.

If we are unable to obtain sufficient quantities of semiconductor chips or other key raw materials at acceptable prices and in a timely manner, our business operations, financial condition, results of operations and prospects could be materially and adversely affected.

Our business could be materially and adversely affected if we fail to successfully adapt our SwitchBot App to consumer requirements or maintain compatibility with third-party products and services.

We have developed and launched our own SwitchBot App, available for iOS and Android devices. Most of our home robotic system products are only fully functional when operated through our SwitchBot App, which serves as the central control point for our entire home robotics ecosystem, connecting and coordinating our various devices while collecting valuable user feedback and preferences that help us improve our products and services. For our business to be successful, we will need to design, develop, promote and operate new products that will be compatible with the SwitchBot App while continuously improving the App's functionality and user experience.

We cannot assure you that end consumers will not encounter difficulties with the installation of SwitchBot App on their mobile devices or the connectivity or configuration of the devices they own using the App, or that SwitchBot App would function smoothly at all times. There can be no assurance that we will be able to detect and fix all issues and defects in SwitchBot App. Failure to identify and remedy any issues and defects may reduce satisfaction among our end consumers in our software and products, which could result in reduced consumer demand for our products and harm to our reputation.

Any changes to mobile operating systems that degrade or impede the SwitchBot App's proper functions could adversely affect user experience with our products. In order to deliver high quality services, it is also important that our SwitchBot App works well across a range of networks, mobile devices and standards that we do not control.

As new products are released or updated, we may encounter issues and defects in developing and upgrading our SwitchBot App for use on mobile devices, and we may need to devote significant resources to the creation, support and maintenance of our SwitchBot App, and we may not be successful in doing so. There is no assurance that we will be able to provide full functionality of the SwitchBot App and connected devices for all end consumers.

Beyond our SwitchBot App, the competitive position of our products and services depends in part on their ability to operate with the products and services of third parties. We intend to facilitate the compatibility of our products and services with various third-party hardware, software, and infrastructure by maintaining and expanding our business and technical relationships. Our products are compatible with major smart home ecosystems with our smart hubs serving as central connectivity points that enable our products to communicate with each other and with certain other third-party platforms, such as Amazon Alexa, Google Assistant and Apple Home.

As we make our products and services available across a variety of IT systems and devices, we depend on the compatibility of our products and services with mainstream devices and IT systems that we do not control. If a third-party were to develop software or services that compete with ours, that provider may choose not to support one or more of our products and services. In addition, technology companies may choose not to support the operation of their hardware, software, or infrastructure that our products and services are compatible with, or our products and services may not support the capabilities needed to operate with such hardware, software, or infrastructure. If we fail to address these challenges successfully, our business, financial condition, and results of operations could be materially and adversely affected.

We may face risks associated with our reliance on certain artificial intelligence and machine learning models.

In order to increase the ability of our home robotic system products to interact with humans and achieve a higher level of human-like functionalities, we utilize multi-modal large language models, vertical models, and diffusion models in our core technologies. For example, Our AI applications include the use of visual language models for our home robotic system products, enabling them to understand and interact with the physical home environment.

If the models are incorrectly designed, the data we use to train them is incomplete, inadequate, or biased in some way, or if we do not have sufficient rights to use the data on which our models rely, the performance of our products, services, and business, as well as our reputation, could suffer or we could incur liability through the violation of laws, third-party privacy, or other rights, or contracts to which we are a party.

For example, if our visual recognition systems misidentify objects in the home environment or incorrectly interpret spatial relationships, our enhanced mobile robots, smart cameras, or other products might malfunction, leading to poor user experiences or potentially unsafe operating conditions. Similarly, if our training data overrepresents certain demographics or environmental conditions, our AI systems might perform poorly in different cultural contexts or home settings. These risks are heightened as we expand into more sophisticated AI applications like those described in our roadmap for home service robots and AI edge computing.

We have incurred net losses during the Track Record Period, and there is uncertainty regarding our ability to achieve or maintain profitability in the future.

For the years ended December 31, 2022, 2023 and 2024, we had net losses for the year of RMB87.0 million, RMB16.4 million and RMB3.1 million, respectively. These net losses were primarily due to the expenditures in relation to (i) our R&D expenses incurred to enhance our core technologies and product and services offerings to maintain our established position in home robotic system industry; (ii) our selling and distribution expenses incurred to enhance our brand reputation and expand our customer and end consumer base; and (iii) our administrative expenses.

We may incur net losses in future periods as we continue to invest in R&D and expand our business operations in a competitive market. Our costs and expenses may increase as we grow our business and operations. In addition, we expect to incur additional costs and expenses as a result of being a public company. If we are unable to effectively manage our expenses or achieve sufficient revenue growth, we may face challenges in achieving or maintaining profitability.

We may face challenges in developing new sales channels and maintaining, expanding or optimizing our omni-channel sales and distribution network.

To achieve further growth, we have been making efforts to expand our sales and distribution channels. See "Business — Business Strategies — Strengthen market position and expand global reach" in this prospectus. We rely on our omni-channel sales and distribution network to promote and sell products, with sales to our retailers and distributors accounting for a material portion of our total revenue. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, 63.2%, 53.9%, 50.2%, 56.3% and 55.2% of our total revenue, respectively, were generated from sales to retailers and distributors.

Expansion into new sales channels presents multiple challenges. First, we face operational and marketing challenges when entering channels where we have limited brand recognition and operating experience. These new channels may have different competitors, regulatory environments, and consumer preferences compared to our existing sales channels. Second, such expansion requires significant capital investment and experienced personnel, and we may not have sufficient capital to diversify our sales channels effectively. Third, we may find it difficult to hire, train, and retain qualified employees who are familiar with new sales channels. Finally, end consumers in new sales channels are likely to be unfamiliar with our brand and products, requiring increased investments in advertising and promotional activities, which may necessitate higher product prices that could affect the viability of these new operations and our overall profitability.

Maintaining our existing sales and distribution network also presents challenges. The competition for high-quality retailers and distributors is intense in our industry. Although we generally designate territories for distributors who can only sell products in their designated territory, they may choose to distribute competing branded products if they find our agreements and arrangements less favorable than those of our competitors. When we terminate relationships with certain retailers and distributors in line with our business strategies, finding replacements may be time-consuming, and any resulting delay may be disruptive and costly to our business. We cannot assure you that we will always be able to maintain relationships with existing retailers and distributors or develop relationships with new ones to replace existing ones.

The success of our sales and distribution network expansion is subject to several factors, including: (i) the availability of suitable distribution channels or geographical locations; (ii) our ability to negotiate favorable cooperation terms with our retailers and distributors; (iii) the availability of management and financial resources; (iv) the availability of suitable retailers and distributors, especially in less developed markets where we rely on their in-depth local market knowledge; (v) our ability to hire, train, and retain skilled personnel in our DTC channels; and (vi) the adaptation of our logistics and other operational systems to an expanded network.

Additionally, our expansion plans could strain our managerial, operational, and financial resources. Our ability to manage future growth will depend on our ability to continue improving operational, financial, and management systems and to expand, train, motivate, and manage our workforce. We cannot assure you that our personnel, systems, procedures, and controls will be adequate to support our future growth. If we are not able to successfully develop new sales channels or if we encounter difficulties in maintaining, expanding, or optimizing our sales and distribution network, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

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

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

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdictions where we operate, our business, results of operations and financial condition may be materially and adversely affected.

We are required to obtain and maintain the requisite licenses and approvals for our business in mainland China and other jurisdictions where we operate our business. We cannot assure you that we can successfully update or renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future businesses.

Our products are subject to various regulatory certifications and approvals, particularly as we sell them internationally in Japan, Europe, North America, and other markets. These requirements include, among others, product safety certifications, electromagnetic compatibility testing, radio frequency approvals, and in some cases, specialized certifications for certain product categories.

Any failure to obtain or renew any approvals, licenses, permits or certificates necessary for our operations, may result in enforcement actions thereunder, including orders issued by the relevant regulatory authorities ceasing our operations, and may include corrective measures requiring capital expenditure or remedial actions. The interpretation and implementation of existing and future laws, regulations and policies governing our business activities may be subject to change. We cannot assure you that we will not be found in violation of any of the laws, regulations and policies currently in effect or any future laws, regulations and policies. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdictions where we operate our business, we may be subject to various penalties, such as the imposition of fines and the 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.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to potential deterioration in political and economic relations among countries, sanctions, export controls, and other geopolitical challenges, including increased duties, taxes and political instability.

Our products are manufactured in the PRC and exported to international markets, with Japan, the Europe, and North America being our primary sales regions. This exposes us to various international trade risks, particularly as trade tensions between the PRC and other countries have intensified in recent years.

During the Track Record Period, we exported two product class and other component to Japan which were subject to maximum tariff rate of 5.3%. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue contributed by sales of these tariffed product and component to Japan, accounted for approximately 0.2%, 3.0%, 3.7% and 10.1% of our total revenue, respectively. Based on the best knowledge, information and belief of the Directors, the product and component that is subject to tariffs and their applicable rates have remained unchanged during the Track Record Period. The Group's exports to Japan are not subject to any import restrictions, and our product or component do not fall within any sensitive or controlled categories.

While the current tariff regime in Japan generally allows for the import of consumer electronics such as our products at relatively low or zero tariff rates, there is no assurance that such treatment will remain unchanged. The Japanese government may, in response to changes in global trade dynamics, domestic industrial policies, or international negotiations, revise its tariff schedule or impose additional import-related charges or non-tariff barriers (such as stricter product certification, labelling, or environmental compliance requirements). Nevertheless, the Group will continue to closely monitor any such developments to ensure continued compliance and mitigate potential risks. In addition, heightened Sino-Japanese geopolitical tensions or any deterioration in bilateral trade relations could result in increased regulatory scrutiny or the introduction of new trade barriers that may adversely affect the Group's exports to Japan.

The Sino-U.S. trade tensions present ongoing risks to our business. We are monitoring this relationship closely, as increases in tariff could adversely impact our product pricing and competitiveness. Additionally, since the U.S. government has imposed a series of tariffs specifically targeting imports from China, as well as from other countries, tariff imposed on our products by the U.S. government could force us to increase the retail prices and shift the burden of such price increase to end consumers, potentially reducing their demand or weakening our competitive position. For further details of recent U.S. and PRC tariff measures, see "Regulatory Overview — Laws and Regulations in relation to Importation of Goods into the United States — Tariffs". There is significant uncertainty on how this matter will evolve, and any rising political tensions, as well as increase in tariffs or changes to trade policies between the U.S. and China, may have a material impact on our business. Thus, it is uncertain whether any further tariff measures will be implemented. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, revenue generated from the sales in the U.S. amounted to RMB45.1 million, RMB78.5 million, RMB86.9 million, RMB38.7 million and RMB40.9 million, respectively, representing 16.4%, 17.2%, 14.3%, 14.1% and 10.3% of our revenue in the same periods, respectively. As of 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 towards China, particularly relating to tariffs on Chinese imports, could adversely affect our business operations and financial performance. Moreover, any further trade restrictions imposed by the U.S. on home robotics, and in particular, home robotic systems, could significantly increase the import prices of our products manufactured in the PRC, and thus make our products less competitive and desirable. As a result, our business, financial condition and results of operations could be materially and adversely affected, and it is possible that we may continue to record net losses in the future.

Moreover, on August 9, 2023, the Biden Administration issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern ("Reverse CFIUS EO") granting the U.S. government the authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the U.S. Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "Final Rule") to implement the Executive Order of August 9, 2023. The Final Rule has become effective on January 2, 2025. The Final Rule targets investments involving persons and entities associated with "countries of concern," currently including China, and it imposes requirements (such as prohibition or notification requirements) on a wide range of investments in persons engaged in activities in certain sectors such as semiconductors and microelectronics, quantum information technologies or artificial intelligence, which the Final Rule defines as "covered activities," with persons from countries of concern engaged in covered activities defined as "Covered Foreign Persons." Investments by U.S. persons subject to the Final Rule, which are defined as "covered transactions," include acquisitions of equity interests (including purchases of shares in an initial public offering), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. We may be deemed a Covered Foreign Person because we design and develop home robotics technology on certain software, including home automation, domestic chores, AI butler, elderly care, security and energy management, while continuously expanding the depth of our scenario coverage and enhancing our products' autonomous learning and decision-making capabilities to provide users with a complete and enriched smart home living ecosystem.

As advised by our OIR Legal Advisers, since our Company does not design, produce, fabricate, package or manufacture item covered under the "prohibited activities", in particular for military end use, government intelligence or mass-surveillance end use or over the specified computing power, our Directors believe that our business activities do not fall under "prohibited activities"; while the investments by U.S. persons in us is not a prohibited transaction, it may constitute a "notifiable transaction" under the Final Rule, which imposes an obligation on U.S. persons (but not our Company) to notify the U.S. Department of Treasury (the "Department of Treasury"). Following the completion of the Global Offering, it is expected that U.S. persons will be able to invest in our H Shares without the notification obligations based on the publicly traded securities exception under the Final Rule as long as the investment made does not afford a U.S. person certain rights that are not standard minority shareholder protections. However, the Final Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, which may negatively impact our ability to raise capital from U.S. investors.

The rules and regulations regarding U.S. outbound investment may be subject to further development. For example, President Donald Trump issued a National Security Presidential Memorandum titled "America First Investment Policy" on February 21, 2025 to, among others, direct the U.S. Secretary of the Treasury to consider expanding restrictions on outbound investment to China into new sectors, as well as expanding coverage over more types of transactions. The memorandum also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. The memorandum does not change existing law or regulations. However, depending on how such policy is implemented, it may have a significant impact on how the U.S. government regulates U.S. outbound investments in China. U.S. investors seeking to invest in China may face expanded investment restrictions, which may negatively impact our ability to raise capital from U.S. investors.

Having considered the advice of our OIR Legal Advisers, our Directors are of the view that the Final Rule will not have material adverse impact on our Company's business operations, financial performance, the Global Offering or our investment prospects.

In addition, we sold our products to over 90 countries and regions around the world during the Track Record Period. Changes to trade or investment policies, treaties or tariffs in the countries or regions where our products are sold could adversely affect our international operations, financial condition and results of operations. In the event that any of these countries impose trade sanctions, import restrictions or extra customs duties on the products we sell, our business and operations may be materially and adversely affected.

We may not be able to efficiently manage our inventory and the inventory of our retailers and distributors.

Maintaining optimal inventory level is critical to the success of our business. As of December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the balance of our inventories amounted to RMB83.6 million, RMB82.4 million, RMB163.6 million and RMB202.7 million, respectively, accounting for approximately 28.4%, 27.5%, 44.5% and 35.8%, respectively, of our total current assets. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our average inventory turnover days were 111.9 days, 76.8 days, 82.0 days and 90.5 days, respectively. We are exposed to inventory risks as a result of a variety of factors beyond our control, including changing consumption trends and customer preferences, launches of competing products, disruptions to international and local shipping, and economic and political factors such as the Sino-U.S. trade tension. Moreover, for stocking purposes, we generally estimate the demand for certain products we sell ahead of the actual time of sale. We cannot assure you that we can accurately predict these trends and events and maintain adequate levels of inventory at all times. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory, and we may be forced to offer discounts or conduct promotional activities to dispose of slow-moving inventory, which in turn may materially and adversely affect our financial condition and results of operations. On the other hand, inventory under-stock may cause us to lose sales. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Moreover, we sell some of the products to retailers and distributors, which may face inventory management challenges that impact our business. Failure to manage inventory level may strain our retailers' and distributors' financial resources and impair their liquidity, which may lead to their reluctance or inability to purchase products from us. Under-stocking can lead to missed sales opportunities, while over-stocking could result in inventory obsolescence, decreased shelf space for stocks that are in higher demand. If they experience decreased profitability or suffer losses as a result, they may quit our distribution or retailer network. Additionally, retailers or distributors may, with or without any merit, complain about and attribute their slow inventory turnover to us, harming our relationship with them and potentially damaging our reputation among retailers and distributors. If any of such incidents occurs, the stability of our sales and distribution network may be impaired, and our business, results of operations and financial condition may be materially and adversely affected. Furthermore, we may not be able to track the sales and inventory level of our retailers and distributors. This could in turn lead to our inability to accurately predict sales trends and forecast customer demand, which could result in excess inventory levels or a shortage of products.

Our use of derivative financial instruments to mitigate foreign exchange risks may not be effective and could result in financial losses.

During the Track Record Period, we entered into foreign exchange derivative contracts, including foreign exchange forward contracts and foreign exchange swap deposits with qualified banks in the PRC to mitigate currency risks arising from our bank loans and trade receivables denominated in foreign currencies, particularly Japanese yen. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded financial assets at fair value through profit or loss related to these derivative instruments of RMB8,000, nil, RMB54.4 million and nil, respectively.

Despite our comprehensive foreign exchange risk management policy, these derivative instruments expose us to certain risks that could adversely affect our financial condition and results of operations:

- our strategies may not fully offset the underlying foreign exchange exposures;
- rapid or unexpected changes in exchange rates between the RMB and relevant foreign currencies may reduce the effectiveness of our foreign currency arrangements;
- these derivative contracts are marked-to-market on our balance sheet, and adverse changes in their fair value could negatively impact our reported financial results;
- the counterparty banks with whom we enter into these arrangements may default on their obligations, potentially resulting in financial losses for us; and
- we may incorrectly estimate our actual foreign exchange exposure when implementing our strategies.

While we have implemented risk management policies that prioritize operational risk mitigation, we cannot guarantee that our foreign currency mitigation activities will effectively protect against all foreign exchange risks or prevent potential financial losses that could materially affect our business, financial condition and results of operations.

Our trade receivable factoring arrangements may expose us to financial risks and impact our liquidity position.

As part of our normal business operations, we have entered into trade receivable factoring arrangements (the "Arrangements") with a bank in the PRC, under which we transfer certain trade receivables in exchange for bank loans. As of December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of trade receivables transferred under the Arrangements amounted to RMB118.8 million, RMB146.9 million, RMB183.5 million and RMB73.3 million, respectively.

Under these Arrangements, we may be required to reimburse the bank for loss of interest if any trade debtors have late payments up to 120 days. These factoring arrangements expose us to several risks that could adversely affect our financial condition and liquidity:

- if our trade debtors experience financial difficulties or delays in payment, we may be required to make interest reimbursements to the bank, which could negatively impact our cash flows and financial condition;

- the continued recognition of both the receivables and associated loans on our balance sheet affects our debt ratios and could impact our ability to obtain additional financing;

- changes in banking regulations or the bank's policies in the PRC could result in modifications to the terms of our factoring arrangements or limit our ability to continue such arrangements;

- any deterioration in our relationship with such bank could restrict our access to this source of financing; and

- reliance on factoring as a financing tool exposes us to interest rate risks, as costs associated with these arrangements may increase if interest rates rise.

Our continuing involvement in these arrangements could create financial burdens that may materially and adversely affect our business operations, financial condition and liquidity position.

We may not be able to prevent unauthorized use of our intellectual properties, which could harm our brand and reputation.

As of the Latest Practicable Date, our Group had registered (i) 191 trademarks, 307 patents (including 54 invention patents), 22 software copyrights, and six work copyrights in the PRC; (ii) 113 trademarks, four patents (including two invention patents), and one work copyright in other jurisdictions; and (iii) three domain names which we consider to be material or may be material to our business. We consider our patents, copyrights, trademarks, trade secrets and other intellectual properties to be critical to our success. We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection, confidentiality agreements with our employees and third parties, and other measures to protect our intellectual property rights.

Despite our efforts, unauthorized parties may attempt to copy or otherwise obtain and use our intellectual properties. Our agreements with employees and third parties may not effectively prevent disclosure of our intellectual properties and confidential information and may not provide adequate remedies in the event of unauthorized disclosure. Monitoring for infringement or unauthorized use is difficult and expensive, and may not be effective. Litigation to enforce our rights can result in substantial costs, diversion of resources, business disruption, and could materially and adversely affect our financial condition and results of operations.

Protecting our intellectual property rights globally presents additional challenges. Filing, prosecuting, and defending patents on our technologies across multiple jurisdictions is extremely expensive and time-consuming. Many companies have encountered significant problems in protecting intellectual property rights overseas. The legal systems in many countries and regions do not favor enforcement of patents and other intellectual property protection, making it difficult to stop infringement.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries and regions outside the jurisdictions where we have registered our intellectual properties. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing with us.

Proceedings to enforce our patent rights in overseas jurisdictions could substantially increase costs, divert resources and attention from other aspects of our business, risk invalidation or narrow interpretation of our patents, rejection of patent applications, and provoke third-party claims against us. We may not prevail in lawsuits that we initiate or be awarded damages or remedies we deem sufficient. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain significant commercial advantage from the intellectual properties that we develop.

We may be subject to intellectual property infringement claims or other allegations, which could expose us to substantial liability for intellectual property infringement and other losses.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, trademarks, copyrights or other intellectual property rights held by third parties. We may from time to time be subject to proceedings and claims relating to intellectual property rights in the future. We cannot assure you that holders of patents and other intellectual properties purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents and other intellectual properties against us in the PRC or any other jurisdictions.

If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is relatively costly and time consuming and may divert management's time and other resources from our business and operations. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

Trademarks registered, internet search engine keywords purchased and domain names registered by third parties that are similar to our trademarks, brands or websites could cause confusion to our existing and potential customers and divert them away from our products and services.

Competitors and other third parties may register trademarks or purchase internet search engine keywords or domain names that are similar to ours, in order to divert our existing and potential customers and end-users from our products and services to theirs. It is difficult to prevent such unfair competition activities, and if we fail to do so, competitors and other third parties may drive existing and potential customers and end-users away from our products and services, which could harm our business and materially and adversely affect our results of operations.

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

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

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

In addition to our registered patents and patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or include such undertakings in the agreements with parties that have access to them. We also enter into employment agreements with our employees that include undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, despite any legal action we might take against such persons. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and/or is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. We also seek to enter into agreements with our employees that obligate them to assign any inventions created during their work for us to us. However, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such agreement. Furthermore, if the employees who are parties to these agreements breach the terms of these agreements, we may not have adequate remedies for any such breach, and we could lose our trade secrets and inventions through such breaches. We may be involved in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and R&D personnel.

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

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in mainland China or other jurisdictions may diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will be granted as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is granted, and its scope can be reinterpreted after such grant.

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

Product defects and errors may lead to liability claims and damage our reputation.

The quality of our products depends on the effectiveness of our quality control and quality assurance systems, which rely on multiple factors including the reliability of components, the competence of our staff, and adherence to established protocols. Despite our efforts, we cannot guarantee that our quality control procedures will consistently prevent deviations from our quality standards. Any significant failure or deterioration of our quality control and quality assurance protocols could render our products unable to perform their regular functions, cause safety concerns that may result in physical injuries to individuals, or harm our market reputation and relationship with business partners.

The technology underlying our home robotic system products is inherently complex, making it difficult to identify all potential defects or errors. This is particularly true when introducing new products or features. Despite internal testing, serious errors, security vulnerabilities, or software issues may only be discovered after the commercialization and deployment of our products.

We also rely on components and parts from various suppliers, and their quality is beyond our direct control. We cannot assure you that the parts, components and/or products we procure from them are safe and free of defects or can meet the relevant quality standards. We depend on the quality control procedures of our suppliers. In the event of quality issues involving supplier-manufactured parts and components used in our production, we could be subject to complaints and product liability claims and may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes.

In the event defects or errors are discovered, we may be required to recall defective products from end consumers, or otherwise offer refunds, repairs and/or replacements as part of our remedial measures. The consequences of such defects can be severe, including:

- significant expenses related to product recalls, repairs, or replacements;
- costly and time-consuming remediation efforts;
- lawsuits filed against us by customers or other parties, exposing us to potential liabilities and damages;
- revenue loss and delay or loss in market acceptance; and

- substantial negative publicity affecting our brand and reputation.

Our insurance coverage may be insufficient to fully cover all damages sought in product liability claims, and the claiming process itself can be prolonged. Any material product liability claim or litigation could require substantial expenditure of funds and managerial resources while simultaneously damaging our reputation, ultimately having a material adverse effect on our business prospects and financial condition.

Expanding our product offerings may expose us to new operational and market challenges.

We aim to continuously expand our product range to meet evolving customer needs and preferences. This includes expanding our existing offerings as well as venturing into new categories to further diversify our product range. However, such efforts may come with substantial risks and challenges. For instance, by expanding our product offerings to include a broader range of items or SPUs, we may inadvertently increase the complexity in inventory management and exert additional pressure on our procurement practice, requiring significant resources to predict and meet customer demand. Furthermore, a broader product range could result in higher return rates and increased consumer complaints, particularly if these new products do not meet the standards our customers have come to expect. Such issues, if not managed effectively, could lead to costly product liability claims and cause damage to our reputation and financial performance, undermining the customer-centric approach in our operation and expansion endeavors.

We may also face additional challenges when introducing new product categories. In particular, we may fail to introduce products that align with shifts in customer preferences, or misjudge consumer demand for our new products, resulting in inventory buildup and costly inventory write-downs. Moreover, to gain market share in new product categories, aggressive pricing strategies might be required. Such strategies, while effective in attracting customers, could adversely impact our profitability. In addition to these market challenges, we may also encounter difficulties in sourcing and production processes that delay our product release and delivery. Furthermore, each new product may be subject to its own set of regulatory requirements, varying by jurisdictions and markets. Navigating this regulatory landscape can be both complex and costly. Failure to effectively manage these risks and challenges in the introduction of new products could have a material adverse effect on our business, results of operations, and financial condition.

After-sale service challenges may adversely affect our business and reputation.

Providing high-quality after-sale maintenance and support services is critical to maintaining positive relationships with our customers and end users. We face several challenges in this area that could impact our business performance and reputation.

We may not be able to recruit or retain sufficient qualified support personnel with experience in supporting our products and services. This could prevent us from responding quickly enough to accommodate increases in customer demand for technical support or maintenance assistance. We may also have difficulty adapting our maintenance services and technical support to compete with changes in the technical services provided by our competitors.

If customer demand for after-sale support increases, we may face higher costs that harm our results of operations. This is particularly true as we expand to countries and regions with more stringent consumer protection regulations and different market practices.

Our return policies also present financial challenges. We generally allow retail customers to return products within 30 days after receipt. In addition, customers may be entitled by law to have products replaced for specific defects or quality issues, and we may be required to adopt or amend return policies to comply with regulations. While these policies improve shopping experiences and promote customer loyalty, they subject us to additional costs that we may not recover. If a significant number of customers misuse these policies, our costs could increase substantially. Conversely, making policies more restrictive might dissatisfy end consumers, resulting in customer loss or slower acquisition of new customers. Any failure to maintain excellent after-sale services, or even a perception that our support is inadequate, could materially and adversely affect our business, financial condition and results of operations.

Our business depends substantially on the continuing efforts of our management team, as well as a competent pool of talents that supports our existing operations and future growth. If we are unable to retain, attract, recruit and train such personnel, our business may be materially and adversely affected.

The success of our business depends on the continued services and efforts of our Directors and senior management, in particular our co-founders, Mr. Li and Mr. Pan who serve as our chief executive officer and chief technology officer, respectively.

If any of our Directors or senior management becomes unable or unwilling to continue to contribute their services to us, there can be no assurance that we would be able to find suitable replacements in a timely manner or at all. The loss of services of such Directors or senior management or the inability to identify, hire, train and retain other qualified and managerial personnel to replace them in the future may materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our distributors may have unsatisfactory performance which is beyond our control and their improper conduct or any changes in their business relationships with us may adversely affect our business, financial conditions and results of operations.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, 0.5%, 9.1%, 10.1%, 10.6% and 9.0% of our revenue were generated from our distribution channels, respectively. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had three, five, six and six distributors, respectively.

Our distributors may not effectively market and sell our products for various reasons. If distributors reduce orders, request significant discounts, or fail to renew agreements with us, it could lead to overstock, lost sales, and adversely impact our business and financial results. We cannot assure you that distributors will sell our products to end consumers in a timely manner, which could affect our inventory turnover and operational efficiency.

Improper use of our brands, products or intellectual property by distributors could damage our reputation and reduce customer demand. Distributors may subject us to liability if they misrepresent our products or violate laws. Although we require compliance with distribution agreements, we cannot ensure adherence or detect non-compliance, which could disrupt our sales and damage relationships.

Our distributors can engage sub-distributors without our authorization, limiting our control. We mainly rely on distributors to manage their sub-distributors and cannot ensure these sub-distributors will follow our policies or avoid competing with each other, potentially affecting our sales and business.

Events that could adversely affect our business include: reduction or cancellation of distributor orders; failure to maintain distributor relationships; inability to establish favorable terms with new distributors; challenges in replacing lost distributors; and distributors prioritizing competitive products. We may not successfully manage our distribution network, and expansion costs may exceed generated revenue. These factors could decrease our sales volume and materially affect our business, results of operations and financial condition.

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

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

Failure to successfully upgrade our equipment or expand our production capacities could adversely affect our business operations and financial performance.

Our future success will depend, to an extent, on our ability to continuously increase our production output and enhance our production efficiency. If we fail to achieve these objectives, we may not be able to attain the desired level of economies of scale in our operations or reduce our marginal manufacturing costs to the level necessary to maintain our pricing and other competitive advantages and achieve our business expansion plan.

The future equipment upgrade and capacity expansion may require substantial capital investment, significant engineering efforts, timely delivery of manufacturing equipment and dedicated management attention, and are subject to the following risks and uncertainties:

- negative effect on the working capital available to us;
- the need to finance our equipment upgrade and capacity expansion through bank or other borrowings, which may not be available on commercially reasonable terms or at all;
- increase in depreciation charges associated with our new equipment and interest expenses associated with our future borrowings for planned upgrade or expansion;
- cost overruns, construction delays, manufacturing equipment problems, including delays in equipment delivery or delivery of equipment that does not meet our specifications, and other operating difficulties;
- failure to improve our operational and financial systems and risk monitoring and management system in line with our upgrade or expansion;
- decrease in the prices of our products, which fail to cover our increased production costs;
- failure to maintain or establish relationships with our existing or prospective customers and suppliers to match our increased production output;
- the failure of our new equipment to perform as expected and lower our manufacturing cost;
- insufficient management resources to properly oversee and manage our planned capacity expansion; and
- delay in or denial of government approvals, permits or documents of similar nature necessary and required for our expansion.

Any of the abovementioned or similar risks or uncertainties could significantly delay or constrain our plan to upgrade our manufacturing equipment and expand our capacity in the future, which may in turn hinder our ability to achieve economies of scale and satisfactory utilization rates. As a result, our business, financial conditions and results of operations may be materially and adversely affected.

Technology infrastructure vulnerabilities may adversely affect our business operations.

Our business relies heavily on technology infrastructure to enable our robotics and AI technologies, creating vulnerabilities from both third-party services and our own internal systems.

During the Track Record Period, we used AWS as our primary computing service provider. For details of our AWS, please refer to the section headed "Business — Customers — Our Relationship with Amazon". These third parties maintain the configuration, architecture, features, and security of our virtual infrastructure, but we have limited or no control over their operations or facilities. Capacity limitations from these providers could impede our ability to serve existing customers or attract new ones. Unpredictable incidents affecting their infrastructure, such as natural disasters, fire, floods, severe storms, power loss, telecommunications failures, or security breaches, could significantly disrupt some of the services we provide to our customers. Our internal technology infrastructure faces similar vulnerabilities despite precautionary measures. Telecommunication failures, power outages, human error, or system attacks can cause service interruptions that we may not resolve quickly or at all. These disruptions prevent customers from accessing certain features of our products, damaging our reputation and potentially driving customers toward alternative solutions.

Any prolonged service disruption of technology infrastructure would adversely impact our customer service capabilities, expose us to liability, and harm our business reputation. If our agreements with third-party providers terminate or experience service lapses, we would face not only interruptions but also significant delays and expenses when arranging alternative solutions or re-architecting our software for deployment on different platforms.

The consequences of these infrastructure vulnerabilities extend beyond temporary inconvenience to include reduced future revenues, potential regulatory scrutiny, and decreased customer satisfaction. Failure to maintain consistent network performance could materially and adversely affect our business operations, financial condition, and results of operations.

We rely on third party business partners in our business operations and we may experience difficulties or suffer delay under such arrangements, and as a result our operations may be materially and adversely affected.

We procure certain raw materials and components from third-party suppliers, and outsource parts of our production process involving certain products to third-party contract manufacturers and logistics to relevant third-party service providers. Stable supply of such raw materials, components and services, quality of production, and stable relationships with such business partners are crucial to our business operations and success.

We may experience operational difficulties with our suppliers and business partners, including, but not limited to, the reduction in availability of production capacity, the failure to comply with our product specifications and services standards, insufficient quality control and the failure to meet the production schedules of our customers. Our suppliers may also experience disruption in their operations due to various reasons such as breakdown of machinery, shortage of materials, increase in operational costs, environmental non-compliance issues or other similar problems.

Further, we may not be able to renew contract arrangements with our suppliers and may fail to find alternative suppliers in a timely manner. While we generally maintain alternative suppliers for critical components, not all components have readily available alternatives. Any such failures or delays in performance by our suppliers could materially and adversely affect our business and financial results.

Our business strategies require a significant amount of capital. If we fail to obtain sufficient financing to support our business development, our business operation, financial condition, and prospects may be materially and adversely affected.

Our business and future strategy are capital intensive and require substantial investments in, among other things, R&D, improvement in production capability and increasing products promotion and marketing. As we increase our production capacity and operations, we may also require significant capital to maintain our property, plant and equipment and such costs may be greater than anticipated. We expect that our level of capital expenditures will be significantly affected by user demand for our products. Our future capital requirements may be uncertain and actual capital requirements may be different from those we currently anticipate. We may seek equity or debt financing to finance a portion of our capital expenditures. If we fail to obtain sufficient capital in a timely manner or on acceptable terms, or at all, we may be required to significantly reduce our spending, delay or cancel our planned activities, or substantially change our corporate strategy, which may materially and adversely affect our business, financial condition, and prospects.

In addition, our future capital needs and other business reasons could require us to issue additional equity or debt securities or obtain a credit facility. The issuance of additional equity or equity-linked securities could dilute our shareholders and decrease the dividend per share. The incurrence of indebtedness would result in an increase in debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders.

Our sales are affected by seasonal fluctuations.

Our products are sold on an order-by-order basis and our sales experience significant seasonal patterns. We typically experience increased sales before and during holiday seasons, festivals and events. Our sales generally peak during the fourth quarter of each year, primarily driven by major shopping events such as Amazon Big Deal Day, Black Friday (in November), and end-of-year holiday shopping seasons across various overseas markets where our products are sold.

There is no assurance that our customers' purchase orders and delivery will be consistent with our expectations over each season. Accordingly, our results of operations may vary from period to period. If we cannot effectively plan our production and delivery schedules and secure purchase orders from our customers during non-peak seasons, our business, financial condition and results of operations may be adversely affected.

We are subject to credit risk of our customers which may adversely affect our financial position, profitability, and cash flow.

We are subject to credit risk of our customers and our profitability and cash flow are dependent on our receipt of timely payments from our customers. If there is any delay or default in payment by our customers, our profitability, working capital, and cash flow may be adversely affected. There is no assurance that we will be able to collect all or any of our trade and notes receivable in a timely manner, or at all.

As of December 31 2022, 2023 and 2024 and the six months ended June 30, 2025, our trade receivables amounted to RMB45.1 million, RMB62.1 million, RMB45.8 million and RMB133.0 million, respectively. For the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our average trade receivables turnover days were 43.0 days, 43.0 day, 32.6 days and 41.5 days, respectively. If any of our customers faces unexpected situations, such as financial difficulties or deterioration in credit worthiness, there may be challenges in collecting full or partial payments from them, and enforcing judgment debts against them could be difficult. These unforeseen circumstances may also render our judgments or estimations on credit loss allowances inaccurate, potentially resulting in higher losses than currently estimated.

We had experienced net cash outflows from operating activities during the Track Record Period. If we cannot improve our operating cash flows and if we fail to obtain sufficient capital on acceptable terms and on a continuous basis to fund our operations, our business, financial condition and prospects may be materially and adversely affected.

We experienced cash flows used in operating activities for the years ended December 31, 2022 and 2024. which amounted to RMB107.0 million and RMB31.3 million, respectively. Our net cash outflows are mainly attributable to our R&D expenses, selling and distribution expenses, administrative expenses to develop core technologies and new products. We plan to continue to invest heavily in our R&D efforts, as well as our sales and marketing efforts, and incur significant capital expenditures.

However, it typically takes a long period of time to realize returns on such investments, if at all. As such, we expect to continue to have net cash outflow from operating activities in the near future. Our negative operating cash flows could adversely affect our operations by reducing the amount of cash available to meet the cash needs for operating our businesses and fund our investments in our business innovation and expansion. If our future operating cash flows fails to improve to a level to sufficiently cover our overall cash needs, we will have to rely on external debt or equity financing, and we cannot assure you that we will be able to obtain external financing in amounts or on terms acceptable to us, if at all. Our ability to obtain additional capital in the future, however, is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry and macro-economic and other conditions in jurisdictions where we operate and globally. If we cannot obtain sufficient funding to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected.

We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results.

We have experienced rapid growth in revenue and gross profit in recent years. Our revenue increased from RMB274.6 million in 2022 to RMB457.3 million in 2023 and further to RMB609.9 million in 2024. Our revenue also increased from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. Similarly, our gross profit increased from RMB94.1 million in 2022 to RMB230.5 million in 2023 and further to RMB315.6 million in 2024. It also increased from RMB138.8 million for the six months ended June 30, 2024 to RMB214.8 million for the six months ended June 30, 2025. However, historical growth may not be indicative and there is no assurance that we will be able to maintain our growth rates in future periods.

Our growth rates depend on, among other things, the overall economic growth in our key markets, including Japan, Europe, and North America, and globally in general, technology development of the home robotic system industry, awareness of end consumers to adopt home robotic system products, our investment in technology development, our ability to retain and attract new customers and end-users of our products, and our ability to manage costs and enhance operational efficiency.

There is no assurance that we will be able to effectively implement our business strategies and maintain our business growth. If the market does not develop as we expect or if we fail to address the dynamic market needs, our results of operations and financial performance would be materially and adversely impacted.

Our success depends on our ability to improve and streamline our operations to control or reduce costs.

We are continuously seeking opportunities to streamline our processes, though there can be no assurance that the savings of these actions will not be mitigated by various factors, including economic weakness, competitive pressures, and decisions to increase costs in areas such as sales promotion or R&D above levels that were otherwise assumed. Failure to achieve or delays in achieving projected levels of efficiencies and cost savings from such measures, or unanticipated inefficiencies resulting from manufacturing and administrative reorganization actions in progress or contemplated, would adversely affect our results. Our rapid growth has and is expected to continue to place a strain on our administrative and operational infrastructure, in particular on our internal accounting and financial reporting processes and systems. Over the past years, our expansion has required us to expand our management personnel numbers and increase the complexity of our management structure. There can be no assurance that the new personnel and management structure will enable us to successfully execute our strategy or that we will be able to integrate the new personnel and new structure in a timely manner and without incurring unexpected costs and inefficiencies. We will continue to require additional resources to manage relationships with new customers in new geographic areas, as well as other third parties, such as contracted suppliers, equipment providers and consultants, as our operations expand. Our ability to manage our operations and growth will require us to continue to improve our operational, financial and management controls and reporting systems and procedures. If we are unable to manage our growth and execute our business strategy effectively, our business, financial condition or results of operations may be materially and adversely affected.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

We recorded share-based payment expenses of RMB3.4 million, RMB4.2 million, RMB4.2 million, RMB2.1 million and RMB5.0 million for the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

If we are unable to conduct our marketing activities cost-effectively, our results of operations and financial condition may be materially and adversely affected.

We have incurred expenses on a variety of different marketing and advertising efforts designed to enhance our brand recognition and increase sales of our products. For details, please refer to the section headed "Business — Marketing and Promotion" in this prospectus. Our marketing and advertising activities may not achieve the desired promotional effects and may not result in the levels of product sales that we anticipate. We incurred RMB102.1 million, RMB136.7 million, RMB171.9 million, RMB71.0 million and RMB106.8 million of selling and distribution expenses for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. We expect to recruit and expand our sales and marketing team and enhance our sales and marketing efforts in markets where we are expanding or increasing our presence, which may or may not yield the anticipated benefits. We expect our sales and marketing expenses to increase along with our expansion.

Additionally, we primarily use online marketing strategies such as social media or online advertisement products available on e-commerce platforms. However, there are significant differences between online and offline advertising models, and if we fail to implement these strategies appropriately, our marketing efforts may not achieve optimal results. Our ability to increase revenue and profitability from advertising may be adversely impacted by a number of factors, many of which are beyond our control, such as increased competition and potential upward adjustment of online advertising prices and difficulties in acquiring and retaining advertisers.

We have incurred, and will continue to incur indebtedness in the future. The increased level of indebtedness could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding and future debt obligations.

We have incurred, and will continue to incur, indebtedness to fund our ongoing operations and expansions. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our interest-bearing bank loans amounted to RMB40.2 million, RMB30.2 million, RMB106.3 million and RMB98.7 million, respectively.

Our indebtedness could have important consequences to you. For example, it could:

- limit our ability to satisfy our obligations under bank and other borrowings;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital and for other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- increase the cost of additional financing.

We cannot assure you that we will be able to obtain adequate financing to fund our operations. Apart from bank borrowings, should we fail to obtain external financing on reasonable terms, or at all, our operation and expansion may be adversely affected and disrupted.

In addition, our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If we are unable to repay our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as selling assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

We are exposed to market risk from changes in foreign currency exchange rates, which could materially and negatively impact our profitability.

We manufacture a majority of our products in the PRC and sell them to customers in more than 90 countries around the world. As a result, we are exposed to foreign currency risk as we enter into transactions and make investments denominated in multiple currencies. Our predominant currency exposures are to the Japanese yen, US dollar and Euro. Changes in currency exchange rates may affect the relative prices at which we and our competitors sell products in the same markets and the costs of products and services we require for our operations.

We manufacture and source products primarily from the PRC for sale in international markets. To the extent the RMB appreciates against our sales currencies, we may experience cost increases that reduce our profit margins. We may not be successful at adjusting our pricing strategy or implementing other mitigation measures to offset these cost increases, which could adversely impact our profitability.

We are subject to both translational risks (when converting our international operations' financial results to RMB) and transactional risks (from export sales and international procurement). These currency fluctuations can significantly impact our reported financial results. Despite our efforts to manage foreign exchange risk, there can be no assurance that we can implement effective measures to reduce or eliminate our exposure to fluctuations in foreign exchange rates.

Our net foreign exchange loss for the years ended December 31, 2022, 2023 and 2024 was RMB3,000, RMB1.6 million and RMB6.5 million, respectively, demonstrating the impact these currency fluctuations can have on our financial performance.

We may not be able to receive PRC tax preferential treatment and certain government grants or subsidies in the future, which could have an impact on our financial results.

The discontinuation of the preferential tax treatment for High Technology Enterprises or government grants currently available to us in the PRC or other unfavorable changes in tax law or government grant policy could result in additional tax obligations and expenses.

Our subsidiary, Woan Technology, currently holds the certificate of High Technology Enterprises and is entitled to a preferential income tax rate of 15% on their taxable income. The qualification of Woan Technology as a High Technology Enterprise is currently valid until November 14, 2026. We intend to apply for renewal of such qualification thereafter but there is no assurance that our application will succeed.

The High Technology Enterprises qualification is re-assessed by the relevant authorities every three years, and standard of the assessment may be changed. In the event that this preferential tax treatment is discontinued, Woan Technology will become subject to a 25% standard enterprise income tax rate, which would increase our income tax expenses and could materially reduce our net income and profitability. Our business and financial performance could also be adversely affected by unfavorable changes in or interpretation of existing, or promulgation of new tax laws or regulations applicable to our business. And any unfavorable changes in tax law could result in additional tax obligations and expenses.

In addition, we received government grants in the amount of RMB5.0 million, RMB4.7 million, RMB4.2 million, RMB3.1 million and RMB3.3 million, respectively, for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, as encouragement for R&D, employment stabilization and contribution to local economy.

The amounts of and conditions attached to such government grants were determined at the sole discretion of the relevant PRC authorities. We cannot assure you that we will continue to receive such government grants or that the amount of any such government grants will not be reduced in the future. Even if we continue to be eligible to receive such government grants, we cannot guarantee that any conditions attached to the grants will be as favorable to us as they have historically been. Reduction or discontinuation of these government grants could adversely affect our financial condition and results of operations.

We are required to adhere to privacy, information security and data protection regulations in connection with data handling practices, and any security breaches or non-compliance with such obligations could harm our reputation and business.

Our home robotic system products can be configured and controlled through our mobile phone app, SwitchBot App, which requires user registration. Collection, storage, processing and use of personal information and other consumer data subjects us to governmental regulations and other legal obligations in countries and regions, where we operate such as GDPR in the European Union, Act on the Protection of Personal Information in Japan ("APPI"), and various state-level privacy laws in the United States, see "Regulatory Overview — B. Japan Laws and Regulations — Laws and Regulations in Relation to Personal Data Collection", "Regulatory Overview — C. U.S. Laws and Regulations — Laws and Regulations in Relation to Data Privacy" and "Regulatory Overview — D. Germany and European Union Laws and Regulations — Laws and Regulations relating to Data Protection" in this prospectus. We may also become subject to additional regulatory requirements regarding data protection and data privacy, which may necessitate adjustments to our data framework and incur additional costs.

We are committed to protecting our consumer data. We have adopted security policies and measures, including encryption technology, to protect our proprietary data and consumer information. However, companies that collect and retain sensitive and confidential information are under increasing attack by cybercriminals around the world. IoT products, being connected to the internet, are particularly vulnerable to cyberattack. While we implement cybersecurity measures within our products, operations and systems, our cybersecurity measures may not detect, prevent or control all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, Trojan horses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches, employee misconduct or negligence or other attacks, risks, data leakage and similar disruptions that may jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain.

Breaches of our cybersecurity measures could result in unauthorized access to our systems and our SwitchBot App, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until after they are launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate, or implement adequate measures to protect against, these attacks. A cybersecurity incident could lead to unauthorized access, copying, or other misuse of personal data about our end consumers, often known as a data breach. The compromised information may include, for example, account information or information about how our end consumers use our products. It could also, under certain circumstances, lead to end consumers' products and/or their smart home functions failing to function, not functioning as designed, or exhibiting other unanticipated behavior. Further, while we implement measures to prevent insider theft including confidentiality agreements and monitoring of IT usage, we may be unable to prevent employees or contractors from misappropriating personal information relating to our end consumers and selling it or putting it to some other unauthorized use. Customers may be entitled to notice of that data breach, and may be entitled to receive, or expect, compensation or services such as credit monitoring. Such data breaches may also expose us to regulatory investigations, fines and penalties, and may also harm our credibility with customers.

Our e-commerce platforms partners and our other business partners could also be a source of security risk to us in the event of a failure of their own products, components, networks, security systems, and infrastructure. In addition, we cannot be certain that advances in criminal capabilities, new discoveries in the field of cryptography, or other developments will not cause a compromise or breach of the technology protecting the networks that access our products and services. Such an event could not only disrupt our operations, but could also result in unfavorable publicity and therefore materially and adversely affect the market's perception of the security and reliability of our services and our credibility and reputation with our customers, which may lead to customer dissatisfaction and could result in lost sales and increased customer revenue attrition. Further, changes in regulations relating to transfers of personal data may impact our growth.

If we fail to comply with various environmental and fire safety related laws and regulations, we may be subject to fines and penalties.

We are subject to national and local environmental protection and fire safety related laws and regulations applicable to us in the PRC including but not limited to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), Pollutant Discharge Permit Administrative Regulations (《排污許可管理條例》) and Fire Prevention Law of the PRC (《中華人民共和國消防法》).

If we fail to comply with the relevant environmental and fire safety related laws and regulations, we may be liable for correction, fines or penalties or also be ordered to suspend or terminate the construction if such non-compliance causes material environment pollution or ecological damage. If any of such penalties are imposed on us, our operations could be materially and adversely affected and we will incur significant costs which will negatively impact our financial performance. We cannot assure you that we will be able to obtain all the regulatory approvals for our production lines and factories construction projects in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals of such facilities may affect our abilities to develop, manufacture and commercialize our products as we plan.

We may be subject to fines and penalties as a result of our non-compliance with certain PRC laws and regulations regarding the social insurance and housing provident fund during the Track Record Period.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance and housing provident fund contributions for their employees, and entities failing to make such contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to late payments or fines. During the Track Record Period and up to the Latest Practicable Date, we did not pay social insurance and housing provident fund in full for certain full-time employees based on their actual wages in accordance with the applicable PRC laws and regulations. The aggregate shortfall of social insurance and housing provident fund contributions amounted to RMB27.5 million during the Track Record Period. This non-compliance incident was primarily caused by requests by some of our full-time employees to make contributions to social insurance and housing provident funds for them based on a lower standard instead of their actual salaries, as they did not want to bear the full amount of their portion of the relevant contributions.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), social insurance and housing provident fund are divided into the employer's contributions and the employee's contributions. When full payment of social insurance and housing provident fund is made, both the employer and employee are required to make their respective contributions. Such contributions from employee's part are directly deductible from the employee's salary on a monthly basis, which will lead to a reduction in the amount of the salary received by the employee. Therefore, some of our employees were unwilling to make full contributions to social insurance and housing provident fund based on their actual salaries.

Our PRC Legal Advisers advised us that: (i) if we fail to pay social insurance in accordance with PRC laws and regulations, we may be ordered by the competent PRC government authority to pay the outstanding balance within a prescribed period of time and an overdue fine of 0.05% of the total outstanding balance per day from the date of such failure of payment. If we fail to do so within the prescribed period, we may be subject to an administrative penalty ranging from one to three times of the total outstanding balance; and (ii) if we fail to pay the housing provident fund in accordance with the Chinese laws and regulations, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

There is no assurance that we will not be subject to late payments, fines or penalties imposed by the relevant PRC government authorities as a result of such non-compliance incidents, requested by the relevant PRC government authorities to pay the unpaid social insurance payments or housing provident fund contributions, or any order to rectify such non-compliance incidents. There is also no assurance that there will be no employee complaint against us in relation to our failure to make full social insurance and housing provident fund contributions. In addition, we may incur additional costs to comply with such laws and regulations by the relevant PRC government authorities. Any such development may harm our corporate image and may have an adverse effect on our financial condition and results of operations.

Failure to renew our current leases or locate desirable alternatives for our leased premises could adversely affect our business operations.

We lease properties mainly for office and manufacturing facilities. We may not be able to extend or renew our current leases on commercially reasonable terms, or at all. We compete with other businesses for premises at certain locations or of desirable sizes, which may result in significantly increased rental payments due to high demand for the leased properties.

In the event we cannot renew our leases upon expiration of the current terms, we may be forced to relocate our affected operations. This could disrupt our business and result in significant relocation expenses. We may not be able to locate desirable alternative sites for our offices as our business continues to grow. For the leased sites used as the registered address of our PRC subsidiaries, we risk being included in the list of enterprises with abnormal business operations if we fail to extend such leases or properly relocate the registered address and file with local authorities.

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

We may be involved in legal or other proceedings arising out of our operations from time to time, which can expose us to reputational risks and significant liabilities. Disputes may arise with various parties involved in our business operations, including customers, suppliers, employees, logistics service providers, insurers, and banks. These disputes have the potential to escalate into legal or other proceedings, including threats of legal action. Such proceedings can damage our reputation, incur substantial costs, and divert our resources and management's attention. Additionally, in the course of our operations, we may encounter compliance issues that could result in administrative proceedings and unfavorable outcomes, leading to liabilities and delays in our production or product launch schedules. The outcome of these legal proceedings is uncertain, and any negative outcome could have a material and adverse impact on our business, financial condition, and operational results.

Our manufacturing operations are subject to increasing costs and labor challenges that may adversely impact our operations.

All of our manufacturing operations are currently located at our production facilities in Huizhou, Guangdong Province, and our supply chain is primarily located in the same region. While the local economy has experienced rapid growth, such economic growth can lead to growth in the money supply and rising inflation. General inflation has led to increases in labor, transportation and commodity costs. If utility and supply costs increase at a higher rate than our prices, particularly if combined with adverse changes in foreign currency exchange rates, we may not realize the expected cost efficiencies of our current manufacturing location.

In addition, as the regional economy continues to grow, average wages are also expected to increase. We expect that our staff costs, including wages and employee benefits, will continue to rise. Our labor costs may further increase if the labor supply decreases or if job availability rates increase sharply due to a sudden increase in manufacturers in regions where our facilities are located. New labor laws, employee benefit systems or labor taxes implemented by local governments may also affect our labor costs. We therefore cannot provide assurances that we will be able to hire workers at the same cost as in the past. Unless we are able to pass these increased staff costs to our customers by raising the price of our products and services, our profit margin may shrink.

Consistent product quality depends partly on middle management supervision, including quality control supervisors and production line supervisors. The availability of skilled middle management capable of directing manufacturing and adapting quickly to new production processes varies considerably in our manufacturing regions. In areas where competition for middle management is intense, we may encounter increased costs in recruitment, training and retention. If we are unable to retain or attract middle management at a reasonable cost, or at all, we may encounter delays or slowdowns in our manufacturing schedule and deterioration in product quality. Thus, if we are unable to manage these cost increases and labor challenges effectively, our business, financial condition and results of operations may be materially and adversely affected.

Our limited insurance coverage could expose us to significant costs and business disruption.

Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from 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. It may also be difficult for us to find insurance coverage for some of our business activities such as credit insurance for our overseas business operations. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risks materialize, we may also suffer substantial losses.

We may experience disruptions and delays in local and global supply chain and logistics, which could have material and adverse impact on our business operation.

As of the Latest Practicable Date, we operated one production base in Huizhou, Guangdong Province, the PRC. Further, we operate our warehouses for storing semi-finished and finished products and certain components and raw materials, and we engage third-party logistics service providers for the delivery of our products to customers.

We rely on the timely supply of our raw materials in order to carry out our production plans as scheduled. Any delays or disruptions in raw material supplies from our suppliers may have a material and adverse impact on our ability to meet the market demands and our marketing and sale of our products and services. In addition, any natural or man-made disasters or other unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could disrupt our transportation channels and impair the operations of our suppliers, and impede our ability to manufacture and deliver our products to customers in a timely manner. Any disruption or delay in our production and product and services delivery in the future could have an adverse impact on our ability to produce sufficient quantities of products and our ability to meet the needs of our customers. In such cases, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Fluctuations in shipping costs may have a material adverse effect on our operating results and profitability.

During the Track Record Period, we incurred shipping costs primarily related to (i) courier services for delivering products directly to our customers and transporting products to the warehouses of e-commerce platforms, and (ii) last-mile delivery services provided by e-commerce platforms, which deliver products from their warehouses to our customers. In addition, we incurred storage fees as part of the fulfillment services provided by certain e-commerce platforms such as Amazon, which handles product receiving, storage, packing, shipping, and returns for orders. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our transportation and storage costs amounted to RMB33.5 million, RMB36.9 million, RMB55.3 million, RMB19.8 million and RMB27.6 million, respectively, accounting for 18.5%, 16.3%, 18.8%, 14.5% and 15.2% of our cost of sales in the respective periods, respectively. As our business continue to grow, we anticipate a corresponding increase in our shipping costs and storage fees. Furthermore, we may experience fluctuations in shipping costs in the future, which could be attributable to various factors beyond our control, including potential suspension and closure of services by logistic service providers, increases in labor costs or shortages of labor for these service providers, and unexpected events such as natural disasters or pandemics that could restrict the free movement of goods around the regions where our customers are located, among others. As a result, our results of operations and profitability could be materially and adversely affected.

We may be adversely affected by any significant disruption to the warehouses where we store our products and raw materials.

We primarily store our products in warehouses operated by Amazon and other third-party service providers, and our raw materials primarily in warehouses at or near our manufacturing facilities. Any significant downtime arising from major and unexpected repairs or servicing of any of these warehouses that result in major disruptions to our operations could cause us to be unable to store our products or raw materials for an extended period and require us to make significant unanticipated capital expenditures and/or delay our production or delivery of products.

If any one or more of the above risks were to materialize, our financial condition and results of operations may be adversely affected. The warehouses where we store our products and raw materials are also subject to a number of risks, such as fires, floods, explosions, natural disasters, third-party interference, disruptions in power supply or power outages, war, terrorism and communal unrest, which could lead to a significant disruption to our operations or result in significant damages to our warehouses or inventories. These hazards could also result in personal injury or wrongful death claims and other damage to our warehouses. These disruptions may materially and adversely affect our business, financial condition and results of operations.

Our business growth and results of operations may be materially and adversely affected by macroeconomic uncertainties, natural disasters, health epidemics, and other force majeure events beyond our control.

Our business, results of operations, financial condition and prospects may be materially and adversely affected by uncertainties about global and regional macroeconomic conditions, including fluctuations in interest rates, inflation levels, unemployment, labor and healthcare costs, consumer confidence, and access to credit. Additionally, our operations are vulnerable to disruptions caused by events beyond our control, including:

- Natural disasters such as floods, earthquakes, sandstorms, snowstorms, fires, or droughts;
- Outbreaks of widespread health epidemics or pandemic diseases such as SARS, Ebola, Zika, H5N1 avian flu, H1N1 influenza, or COVID-19; and
- Acts of war, terrorism, or other social disruptions.

These events may seriously disrupt public life and economic activities in affected areas, impacting our R&D activities, manufacturing processes, commercialization initiatives, supply chain, and overall business operations. For example, COVID-19 has materially and adversely affected the global economy. Such events could also harm the global economy generally and potentially damage relationships with our customers and suppliers, disrupting product procurement, and causing our business to suffer in ways we cannot anticipate. Any of these outcomes could have a material adverse effect on our sales, overall results of operations, and financial condition.

Our operations may be subject to transfer pricing adjustments by competent authorities.

Our tax position may be subject to review and possible challenge by the relevant government authorities and any possible change in laws. If our tax position is subject to review and possible challenge by the relevant government authorities or there is a change in the tax policy and relevant tax laws in the relevant jurisdictions, it may adversely affect our results of operations and financial position. In preparing our financial information, our Directors have reviewed and assessed our transfer pricing risk as it is possible that the tax authorities may challenge our transfer pricing arrangements.

There can be no assurance that we will not be found to be operating in breach of the relevant transfer pricing laws and regulations, or that such laws will not be modified, which, as a result, may require changes to our transfer pricing arrangements. Any determination of income reallocations or modifications of the relevant transfer pricing laws and regulations could result in an income tax assessment and other relevant charges on the portion of income deemed to be derived from the taxing jurisdiction that so reallocates the income or modifies its relevant transfer pricing-related laws.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

We are subject to regulatory requirements under laws and regulations on overseas offerings and listings issued by PRC government authorities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") along with five relevant guidelines, which became effective on March 31, 2023. The Overseas Listing Trial Measures require, among others, that PRC domestic companies that seek to initially offer and list securities in overseas markets, either directly or indirectly, shall file the required documents with the CSRC within three business days after its application for overseas listing is submitted, and shall file the required documents with the CSRC within three business days after future offering. We will file with CSRC within a specific time limit as required by the Overseas Listing Trial Measures. However, we cannot assure you that we could complete such filing in a timely manner or at all, the failure of which may restrict our ability to complete the offering and have a material and adverse effect on our business, prospects, results of operations, financial condition, and cash flows.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Archives Rules"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

The interpretation, application, and enforcement of the relevant laws and regulations are still evolving and subject to change. We are closely monitoring how they will affect our operations and our future financing activities.

Changes in economic, regulatory, political and social conditions in jurisdictions where we have material business operations and globally could have a material and adverse effect on our results of operations, financial performance and business prospects.

We have significant business operations across multiple jurisdictions, including manufacturing facilities and headquarters in various regions. Accordingly, our results of operations, financial performance and business prospects may be influenced by the economic, regulatory, political and social conditions in these jurisdictions. Governments worldwide have implemented, and may continue to introduce, various policies and measures to encourage economic growth and guide the allocation of resources. Our 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 across the jurisdictions where we have material business operations, as well as globally, may have material and adverse effect on our results of operations, financial performance and business prospects.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. 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, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

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, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

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

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) ("IIT Law") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions has expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those that have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your investment in our H Shares.

You may experience difficulties in effecting service of the legal process upon us and our management and seeking recognition and enforcement of judgments against them across jurisdictions.

The legal systems across different jurisdictions vary significantly. Therefore, the effecting service of legal process and the process of recognizing and enforcing any judgments may be different across jurisdictions and are subject to treaties or arrangements providing for the recognition and enforcement of judgments made by courts of other jurisdictions. As a result, investors may experience difficulties to effect service of process and/or recognize and enforce any judgments for disputes brought in other jurisdictions.

We are a company incorporated under the laws of the PRC, and the vast majority of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management are likely to be located within mainland China. As a result, it may be difficult for you to effect service of process in places outside the PRC upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, the PRC has not entered into treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

An original action may only be brought in the PRC against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the civil procedure laws in the PRC.

Adverse fluctuations in foreign exchange rates, particularly a continued depreciation of the Japanese yen, may materially and adversely affect our business, financial condition, and results of operations

During the Track Record Period, we derived a material portion of our revenue from sales in Japan and received customer payments primarily in Japanese yen. However, a substantial portion of our costs, including manufacturing, component procurement, and logistics expenses, are denominated in foreign currencies, particularly in RMB. As a result, we are exposed to risks associated with fluctuations in foreign exchange rates.

If the Japanese yen weakens further against other major currencies, including RMB, our revenue, when converted into these currencies for reporting or settlement purposes, will decrease relative to our costs. This mismatch may erode our profit margins and adversely affect our results of operations. In addition, a weaker Japanese yen could reduce the purchasing power of Japanese end consumers and increase the cost of imported goods, which may in turn dampen consumer demand for our products in Japan.

Although we have implemented certain measures including entering into foreign currency derivatives to manage foreign exchange risk, such measures may not be effective or feasible in all circumstances. Continued depreciation of the Japanese yen could materially and adversely impact our profitability, financial position, and competitive standing in the Japanese market.

Our business may be affected by downturns in the economy (such as the recent recessionary trends in the Japanese economy), economic uncertainty, and other factors affecting discretionary consumer spending

Our revenue is largely dependent on consumer demand for home robotic system products, which are typically discretionary purchases. Extended economic downturns, inflationary pressures, or continued uncertainty in global and regional economies — especially in Japan, one of our key markets — may reduce consumer willingness to spend on non-essential products, including our products.

In early 2025, Japan showed signs of recessionary pressure, with weakening consumer sentiment, stagnant wage growth, and increased cost of living concerns. If macroeconomic conditions in Japan continue to deteriorate, it could result in reduced consumer spending, delayed purchase decisions, or a shift in consumer priorities away from technology upgrades and home automation — directly impacting demand for our products.

Any material reduction in discretionary consumer spending in Japan, whether due to macroeconomic instability, employment uncertainty, or decreased disposable income, may lead to lower sales volumes, slower inventory turnover, or increased pricing pressure. If we are unable to effectively respond to such changes in consumer behavior, our business, financial condition, and results of operations may be materially and adversely affected.

RISKS RELATING TO THE GLOBAL OFFERING

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

Prior to the completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following the completion of the Global Offering. The market price of our H Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of our H Shares may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies offer similar products or operate in the same/related industries that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of mainland China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards mainland China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. Pursuant to the applicable PRC law, within one year following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and trading volume of the H Shares in the short term following the Global Offering may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

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

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

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

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We cannot guarantee that our new business initiatives and use of proceeds plan will be successfully implemented or generate revenue and profit as we expected.

As a provider of home robotic system products globally, we continue to implement various growth strategies and plans to diversify our business. For instance, we launched lock robots, curtain robots and door robots, all designed to enhance home automation and user experience. Additionally, we are committed to continuously expanding our product line to meet market demand for smart home solutions while building a self-sustaining ecosystem. We plan to use the net proceeds from the Global Offering to enhance our R&D capabilities, and expand our sales channels and brand awareness, among others. See "Business — Our Business Strategies" and "Future Plans and Use of Proceeds" for further details. However, expanding into new businesses involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. It may also take a longer time than expected for us to develop the technologies and build market acceptance of our products and services, and we may not have sufficient experience in executing these new business initiatives effectively. Further, we will incur substantial costs on R&D, sales and marketing, personnel and compliance for developing, conceptualizing and commercializing our new products and services. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate revenue or profit. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenues or recover any associated costs, and our business and results of operations may be materially and adversely impacted.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the market price of our H Shares.

Subject to the approval by the CSRC, any of our Unlisted Shares may be converted into H Shares, and such converted Shares may be listed or traded on an overseas stock exchange. Any listing or trading of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. No class shareholder voting is required for the listing and trading of the converted Shares on an overseas stock exchange. However, the PRC Company Law provides that in relation to the public offering of a company, the shares of that company which are issued prior to the public offering shall not be transferred within one year from the date of the listing. Therefore, upon obtaining the requisite approval, shares currently held on our domestic share register may be traded, after the conversion, in the form of H Shares on the Stock Exchange after one year of the Global Offering, which could further increase the supply of our H Shares in the market and could negatively impact the market price of our H Shares.

Our Controlling Shareholder Group has substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders.

Immediately upon the completion of the Global Offering, our Controlling Shareholder Group will continue to have significant influence over our business and affairs, including decisions of mergers and acquisition, disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. There may be a conflict between the Controlling Shareholder Group's interests and your interests. In addition, without the approval of the Controlling Shareholder Group, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

There can be no assurance that we will declare and distribute any amount of dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC

GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in many aspects from the calculation under IFRS Accounting Standards. In addition, as stipulated by our Articles, distributable profits are recognized as our after-tax profit determined under PRC GAAP or IFRS Accounting Standards, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our subsidiaries may not be able to pay a dividend in a given year if our Company or our subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS Accounting Standards. See "Financial Information — Dividends" for details of our dividend policy.

There can be no assurance that we will declare and distribute any amount of dividends in the future. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. We may not have sufficient or any profits to enable us to distribute dividends to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain statistics contained in this prospectus are derived from a third-party report and publicly available official sources.

This prospectus, particularly the section headed "Industry Overview", contains information and statistics relating to the home robot industry and home robotic system industry internationally. Such information and statistics have been derived from various official governments and other publications and from a third-party report commissioned by us. However, we cannot guarantee the quality or reliability of information and statistics from these official governments sources. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other parties involved in the Global Offering and no representation is given as to their accuracy. In addition, we cannot assure you that the information from official government sources is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. For these reasons, the information from various government sources contained in this prospectus may not be accurate and should not be given undue reliance as a basis for making your investment in our H Shares. In any event, you should consider carefully the importance placed on such information or statistics from these official government sources.

Forward-looking statements contained in this document 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", "can", "could", "continue", "estimate", "going forward", "intend", "plan", "project", "potential", "predict", "seek", "expect", "may", "might", "ought to", "should", "would" or "will" and similar expressions. These statements are, by their nature, subject to significant risks and uncertainties. Prospective investors are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, even if the Directors believe the assumptions related to those forward-looking statements are reasonable, 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.

The risks and uncertainties in this regard consist of those identified in the risk factors discussed above. In light of these and other risks and uncertainties, the disclosure of forward-looking statements in this document should not be regarded as representations by our Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Past performance is no guarantee of future results. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events, or otherwise. For details of these forward-looking statements including the associated risks, see "Forward-looking Statements."

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us, our business, our industry, and the Global Offering. There may be additional media coverage regarding us, our business, our industry, and the Global Offering after the date of this prospectus but prior to the completion of the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. Neither our Company nor any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media, and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to, and do not accept any responsibility for, the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it, and you should not rely on such information.

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its 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 Stock Exchange. We do not have sufficient management presence in Hong Kong for the purposes of Rules 8.12 and 19A.15 of the Listing Rules.

Our Group's management headquarters, senior management, business operations and assets are primarily based and will continue to be based outside Hong Kong, in mainland China. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange in accordance with paragraph 10 of Chapter 3.10 of the Guide by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorised representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorised representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange. At present, our two authorised representatives are Mr. Hu Zhidong (胡治東) ("Mr. Hu"), our executive Director and chief financial officer, and Mr. Chung Ming Fai (鍾明輝) ("Mr. Chung"), our joint company secretary;

(b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including their mobile phone numbers, office phone numbers and e-mail addresses (if available)) to the Stock Exchange and to the authorised representatives. This will ensure that the Stock Exchange and the authorised representatives should have means for contacting all Directors promptly at all times as and when required;

(c) each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;

(d) pursuant to Rule 3A.19 of the Listing Rules, our Company has retained the services of Quam Capital Limited as compliance adviser (the "Compliance Adviser"), who will act as an additional channel of communication with the Stock Exchange. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company's authorised representatives and Directors. In turn, they will provide the Compliance Adviser with such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties. The Compliance Adviser will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and

(e) meetings between the Stock Exchange and the Directors can be arranged through the authorised representatives or the Compliance Adviser, or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in the authorised representatives, the Directors and/or the Compliance Adviser in accordance with the Listing Rules.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

(a) 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).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles he/she played;

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

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

(d) professional qualifications in other jurisdictions.

Our Company appointed Mr. Hu, our executive Director and chief financial officer, and Mr. Chung of SWCS Corporate Services Group (Hong Kong) Limited, as joint company secretaries of our Company. See the section headed "Directors and Senior Management — Joint Company Secretaries" for their biographies.

Mr. Chung is a member of The Hong Kong Chartered Governance Institute, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

The Company's principal business activities are outside Hong Kong. We believe that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Hu, who is our chief financial officer and executive Director, and who has day-to-day knowledge of our Company's affairs. Mr. Hu has the necessary nexus to the Board and close working relationship with the management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. Accordingly, while Mr. Hu does not possess the academic or professional qualifications required of a company secretary under Rules 3.28 and 8.17 of the Listing Rules, our Directors believe that Mr. Hu is capable of discharging the functions of a joint company secretary with the assistance of Mr. Chung, who meets the requirements under Rule 3.28 of the Listing Rules.

Our Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules for a three-year period from the Listing Date on the conditions that: (i) Mr. Chung is appointed as a joint company secretary to assist Mr. Hu in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; (ii) the waiver will be revoked immediately if Mr. Chung, during the three-year period, ceases to provide assistance to Mr. Hu as a joint company secretary, or if there are material breaches of the Listing Rules by our Company.

In addition, Mr. Hu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Mr. Hu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Mr. Hu and the need for on-going assistance of Mr. Chung will be further evaluated by our Company. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Hu, having benefited from the assistance of Mr. Chung for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

For details of Mr. Hu and Mr. Chung's biographies, please refer to the section headed "Directors and Senior Management" in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including the proposed Directors to be appointed upon the Listing) collectively and individually accept full responsibility, contains particulars given in compliance with the Companies (WUMP) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirmed 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 in this prospectus or this prospectus misleading.

CSRC FILING

We have obtained a filing notice from the CSRC for the Global Offering and the making of the application to list the H Shares on the Stock Exchange dated December 5, 2025. In granting such filing notice, the CSRC accepts no responsibility for the financial soundness of us or for the accuracy of any of the statements made or opinions expressed in this prospectus. As advised by our PRC Legal Advisers, our Company has obtained all necessary approvals and authorisations in the PRC pursuant to the applicable PRC laws and regulations in relation to the Global Offering and the Listing and the conversion of some of our Unlisted Shares into H Shares upon the Listing.

INFORMATION ON THE GLOBAL OFFERING

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 invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit 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 authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Global Coordinators, the Overall Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, agents, advisors or representatives, or any other persons or parties involved in the Global Offering. Information contained in our website, located at **www.onero.cn**, does not form part of this prospectus.

RESTRICTIONS ON OFFER AND SALE OF OFFER SHARES

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

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. Accordingly, 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. 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 from those authorities. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the approval for the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued under the exercise of the Over-allotment Option) and the H Shares to be converted from the Unlisted Shares. No part of our H 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. At present, our Company is not seeking or proposing to seek such listing or permission to deal in our H Shares on any other stock exchanges.

Under section 44B(1) of the Companies (WUMP) 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.

ADMISSION OF OUR H SHARES INTO CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, our H Shares on the Main Board of the Stock Exchange and our compliance with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date which HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling our H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements and how such arrangements will affect your rights and interests as such arrangements may affect their rights and interests.

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for conversion of 200,000,000 Unlisted Shares (representing 90% of our issued share capital immediately upon completion of the Global Offering) held by certain existing Shareholders. See "History and Corporate Structure" and "Share Capital" in this prospectus for details of the Shareholders and their interests in our Company and the relevant procedures for conversion of Unlisted Shares into H Shares.

Such H Shares to be converted from the Unlisted Shares are restricted from trading for a period of one year after the Listing. Our Company has received the filing notice from the CSRC dated December 5, 2025 in relation to the conversion of the Unlisted Shares.

PROFESSIONAL TAX ADVICE RECOMMENDED

Professional investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in, our H Shares (or exercising rights attaching to them) under the laws of Hong Kong and the place of their operations, domicile, residence, citizenship or incorporation. None of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, us, any of our or their respective directors, officers, agents, employees, advisers or representatives, or any other parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchasing, holding or disposing of, or dealing in, our H Shares (or exercise of any rights attaching to them).

REGISTER OF MEMBERS AND STAMP DUTY

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

Dealings in our H Shares registered on our H Share register of members will be subject to Hong Kong stamp duty. Please refer to "Appendix VI — Statutory and General Information — 5. Other Information — J. Taxation of Holders of H Shares" to this prospectus for further details.

According to the Guide to the Program for "H-Share Full Circulation" of H shares promulgated by CSDC on February 7, 2020, cash dividends to domestic investors of H-share "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.

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 members of our Company in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed "Structure of the Global Offering" in this prospectus.

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for Hong Kong Offer Shares is set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including the Hong Kong Public Offering and its conditions) are set out in the section headed "Structure of the Global Offering" in this prospectus.

COMMENCEMENT OF DEALINGS IN OUR H SHARES

Dealings in our H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on December 30, 2025. Our H Shares will be traded in board lots of 100 H Shares each. The stock code of our H Shares will be 6600.

EXCHANGE RATE

Solely for convenience purposes, this prospectus includes translations among certain amounts denominated in RMB, Hong Kong dollars and U.S. dollars. No representation is made that the RMB amounts could actually be converted into another currency at the rates indicated, or at all. Unless otherwise indicated, (i) the translation between RMB and Hong Kong dollars was made at the rate of RMB0.90862 to HK$1.00, and (ii) the translation between RMB and U.S. dollars was made at the rate of RMB7.0686 to US$1.00, each based on exchange rates published by the PBOC on December 11, 2025.

No representation Is made that any amounts in one currency can be or could have been at the relevant dates converted at the above rate or any other rates, or at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. If there is any inconsistency between the names of any of the entities, laws and regulations mentioned in this prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail. The English translations are marked with "*" for identification purpose only.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies in any table, chart or elsewhere between the total shown and the sum of the amounts listed are due to rounding.

OTHERS

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. LI Zhichen (李志晨) (alias Connery Lee, formerly known as XU Zhichen (徐志晨))	Room 1307, Block A, Lingshang Huafu, Linghang City, Xixiang Street, Bao'an District, Shenzhen, Guangdong Province, The PRC	Chinese
Mr. PAN Yang (潘陽)	2B5105, Qiancheng Binhai Garden, Baoan District, Shenzhen, Guangdong Province, The PRC	Chinese
Mr. HU Zhidong (胡治東)	Room 4103, Block B, Building 2, Phase I, Shenzhen Metro Grace Mansion, No. 33, Shenyun Road, Nanshan District, Shenzhen, Guangdong Province, The PRC	Chinese
Ms. YANG Minghui (楊明輝)	Room 2102, Block A1, Jinhengli Yujingyuan, Beizhan Community, Minzhi Street, Longhua District, Shenzhen, Guangdong Province, The PRC	Chinese
Non-executive Directors		
Professor LI Zexiang (李澤湘)	Room 801, Building 3 No. 11 University Road, Songshan Lake, Dongguan, Guangdong Province, The PRC	Chinese (Hong Kong)

Name	Address	Nationality
Professor KO Ping Keung (高秉強)	Flat A, 37/F, Block 25, Double Cove Starview Prime, 8 Wu Kai Sha Road, Ma On Shan, New Territories, Hong Kong	Chinese (Hong Kong)
Independent Non-executive Directors		
Ms. LI Hui (李輝)	Room 2401, Block 11, District 1, Hang Yao Landmark Center, Hangzhou, Zhejiang Province, The PRC	Chinese
Dr. LEUNG Suk Wai Winnie (梁淑慧)	Flat F, 3/F, Block T7 Sausalito, 1 Yuk Tai Street, Ma On Shan, New Territories, Hong Kong	Chinese (Hong Kong)
Professor WANG Yong (王勇)	Yunxia Academy, No. 190, Biyuan Road, Hudie Village, Hongguang Street, Pidu District, Chengdu City, Sichuan Province, The PRC	Chinese

For the biographies and other relevant information of the Directors, please see the section "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors (in alphabetical order)	**Guotai Junan Capital Limited** 26/F-28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen's Road Central Central, Hong Kong
Joint Sponsor-OCs (in alphabetical order)	**Guotai Junan Securities (Hong Kong) Limited** 26/F-28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen's Road Central Central, Hong Kong
Overall Coordinators and Joint Global Coordinators (in alphabetical order)	**Guotai Junan Securities (Hong Kong) Limited** 26/F-28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen's Road Central Central, Hong Kong
Joint Bookrunners and Joint Lead Managers and Capital Market Intermediaries	**Guotai Junan Securities (Hong Kong) Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen's Road Central Central, Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20F Wing On Centre
111 Connaught Road Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

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

Legal Advisors to the Company

as to Hong Kong law:

Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to PRC law and as to PRC data compliance matters:

Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road, Beijing
PRC

as to Japanese law:

TMI Associates
23rd Floor, Roppongi Hills Mori Tower
6–10–1 Roppongi, Minato-ku
Tokyo 106–6123
Japan

as to US law:

The Law Office of Mark A Kerstein
950 Echo Lane, Suite 200
Houston
Texas
The United States of America

as to Germany and European Union law:

Rödl & Partner
Denninger Straße 84,
81925 Munich,
Germany

as to European Union data compliance matters:

Studio Legale De Berti Jacchia Franchini Forlani
Via San Paolo, 7
20121 Milan,
Italy

as to U.S. Outbound Investment Rule:

Holman Fenwick Willan LLP
8 Bishopsgate
London EC2N 4BQ
United Kingdom

Legal Advisors to the Joint Sponsors and the Underwriters

as to Hong Kong law:

Morgan, Lewis & Bockius
19th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to PRC law:

AllBright Law Offices (Shenzhen)
21, 22, 23/F, Tower 1
Excellence Century Center
FuHua 3 Road
Futian District, Shenzhen
Guangdong Province
The PRC

Auditors 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
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC
Compliance Advisor	**Quam Capital Limited** 5/F and 24/F (Rooms 2401 and 2412) Wing On Centre 111 Connaught Road Central Hong Kong
Receiving Bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong **China CITIC Bank International Limited** 80 Floor, International Commerce Centre, 1 Austin Road West, Kowloon Hong Kong **CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office, Headquarters and Principal Place of Business in the PRC	Room 1706, Qiancheng Commercial Center No. 5 Haicheng Road Mabu Community Xixiang Street, Bao'an District Shenzhen Guangdong Province The PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wan Chai Hong Kong
Company Website	**www.onero.cn** *(Information contained on this website does not form part of this prospectus)*
Joint Company Secretaries and Authorized Representatives	**Mr. HU Zhidong (胡治東)** Room 4103, Block B Building 2, Phase I Shenzhen Metro Grace Mansion No. 33, Shenyun Road Nanshan District Shenzhen Guangdong Province The PRC **Mr. CHUNG Ming Fai (鍾明輝)** *(Fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia)* 40/F, Dah Sing Financial Centre 248 Queen's Road East Wan Chai Hong Kong
Audit Committee	Ms. LI Hui (李輝) *(Chairman)* Professor KO Ping Keung (高秉強) Professor WANG Yong (王勇)
Remuneration and Appraisal Committee	Professor WANG Yong (王勇) *(Chairman)* Ms. LI Hui (李輝) Dr. LEUNG Suk Wai Winnie (梁淑慧) Mr. LI Zhichen (李志晨) Mr. HU Zhidong (胡治東)

Nomination Committee	Mr. LI Zhichen (李志晨) *(Chairman)* Dr. LEUNG Suk Wai Winnie (梁淑慧) Professor WANG Yong (王勇)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Bankers	**China Merchants Bank Co., Ltd. Shenzhen Branch** China Merchants Bank Shenzhen Branch Building No. 2016, Shennanda Road Futian District, Shenzhen The PRC

This and other sections of this prospectus contain information relating to the industry in which we operate. Certain information and statistics set forth in this section have been extracted from the First & Sullivan Report issued by Frost & Sullivan, an independent consulting firm, which we commissioned, and from various official government publications and other publicly available publications. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, Joint Global Coordinators, the Capital Market Intermediaries, Joint Bookrunners, and Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering (other than Frost & Sullivan), and no representation is given as to their accuracy.

SOURCES OF INFORMATION

We commissioned Frost & Sullivan, an independent consulting firm, to conduct a detailed research on the global home robot industry and the global home robotic system industry from 2022 to 2029. The report commissioned has been prepared by Frost & Sullivan independent of our influence. Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. In connection with the market research services provided, we have agreed to pay a fee of RMB500,000 to Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed "Summary", "Risk Factors", "Business", "Financial Information" and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the target research markets. Primary research involved interviewing with industry participants. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database.

The Frost & Sullivan Report was compiled based primarily on the following assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) during the forecast period, related key industry drivers are likely to continue driving growth in China, and global market; and (iii) there are no extreme force major event or industry regulations by which the market situation may be affected either dramatically or fundamentally.

Our Directors confirmed that, after taking reasonable care, as of the Latest Practicable Date, there had been no adverse change in the market information set forth herein since the date on which the Frost & Sullivan Report was issued.

OVERVIEW OF GLOBAL HOME ROBOT INDUSTRY

Definition of Home Robot

Home robot products are intelligent devices specifically designed for home scenarios, which are capable of assisting humans in completing tasks such as housekeeping, security and living service through automatic perception, learning, decision-making and execution capabilities, playing the role of a family steward.

Difference Between Home Robot and Single-unit Smart Home Device

Single-unit smart home device offers basic intelligent control through manual, voice, or remote means but lacks the ability to connect with a communication hub or intelligent decision-making hub to achieve interoperability, such as single-unit smart TVs, smart toilets and smart lights.

The home robot product integrates artificial intelligence, robotics and IoT technologies in daily home living scenarios to complete daily tasks under the control and drive of a communication hub or intelligent decision-making hub.

Classification of Home Robot

Home robots include general home robotics and home robotic systems. Compared to general home robotics, home robotic systems can automatically learn and achieve dynamic decision-making for complex tasks through an intelligent hub with local computing capabilities, realizing functional enhancements akin to human "hands", "feet", "brain", "skin", and "eyes".

General home robotics include (i) hub products, which are communication hubs primarily function as communication links without local computing capabilities; and (ii) execution products, which are home robots that can only connect to a communication hub and are single-function, focusing on completing a single type of work.

Home robotic systems are intelligent robot systems that integrate artificial intelligence, robotics and smart IoT device technologies in daily home living scenarios. They can link to an intelligent decision-making hub and, by mimicking human behavioral features, such as hands, feet, brain and perception abilities (including but not limited to eyes and skin), achieve functional enhancements and interact extensively with the real world. For the specific meaning of home robotic systems, please refer to the section headed "Glossary" in this prospectus.

The following table sets for the comparison between general home robotics and home robotic systems.

Comparison Dimension	Home Robotic Systems	General Home Robotics
Autonomous learning & intelligent decision-making capacity	With the ability of autonomous learning, understanding and adapting to user habits, and active control of device operations. Making real-time multimodal decisions based on vision, motion and environmental data.	Primarily operate based on preset programs or simple commands, lacking autonomous learning capabilities. Decisions are simple, mostly relying on fixed logic or limited trigger rules.
Perception and response	Capable of perceiving environmental changes in real time and responding intelligently, such as fall detection alerts, automatic light/TV shutdown.	Typically responds only after explicit commands triggered by the user, with limited environmental perception and processing.
Multifunctionality	A single device can perform multiple functional tasks (e.g., a household robot that can also refill a humidifier while cleaning)	Devices are single-function, focused on completing a single type of task.

Comparison Dimension	Home Robotic Systems	General Home Robotics
Device collaboration	Emphasizing intelligent collaboration between different devices, capable of breaking down complex tasks for multi-device collaboration (e.g., sensors collaboratively working with, among others, curtain robots and finger robot).	Devices operate independently, with weak collaboration or reliance on manual orchestration.
Edge intelligence	Leveraging terminal device perception (e.g., CMOS vision, edge AI chips) to achieve fast local processing and feedback.	Most processing occurs in the cloud or on simple chips inside the devices, with few edge intelligence applications.
Specific examples	*Household robots:* With a powerful intelligent control system, the household robot can not only accurately add water to the humidifier and efficiently transport clothes, but also link with home devices such as cameras to achieve security monitoring and multifunctional home services.	*Household robots:* Follow simple maps for cleaning, unable to perform multiple functions or operate across devices.

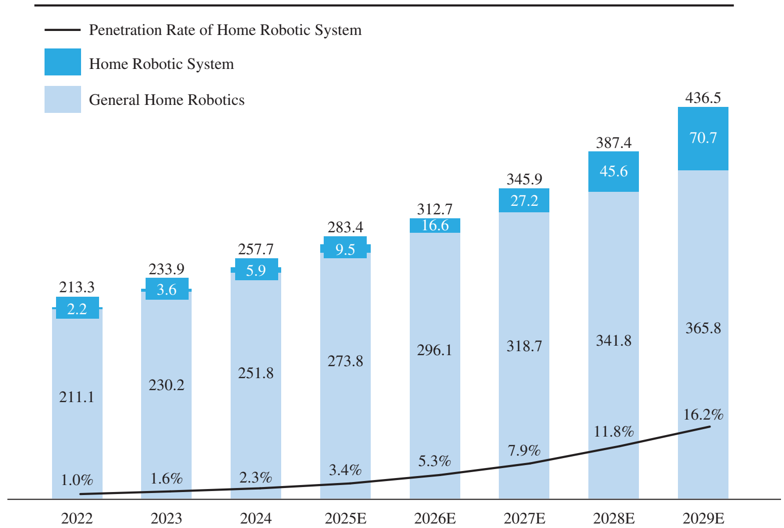
Market Size of Global Home Robot Industry

According to Frost & Sullivan, the global adoption rate of AI has exceeded 70%. With the continuous development of technologies such as AI, the improvements in intelligence and flexibility are driving the growing demand for smart products in the home robot industry. The market size of the global smart home industry reached RMB1,000.5 billion in 2024. In 2029, the market size of the global smart home industry will reach RMB1,462.4 billion, with a CAGR of 7.9%. The market size of the global home robot industry grew from RMB213.3 billion in 2022 to RMB257.7 billion in 2024, with a CAGR of 9.9%. Its penetration rate, which is calculated as the market size of the global home robot industry divided by the market size of the global smart home industry, also increased from 25.1% in 2022 to 25.8% in 2024.

With individuals aged 65 and above comprising approximately 10% of the global population in 2024, the global trend of population aging is expected to continue driving the growing demand for home robots. As a result, the market size of the global home robot industry is expected to grow steadily. It is projected that by 2029, the market size of the global home robot industry will reach approximately RMB436.5 billion, with a CAGR of 11.1% from 2024 to 2029. The penetration of home robot product is expected to grow to 29.9% by 2029 in the global market. The following chart illustrates the market size of the global home robot industry in terms of retail sales from 2022 to 2029.

Market Size of Global Home Robot Industry, By Retail Sales
RMB billion, 2022–2029E

CAGR	2022–2024	2024–2029E
Home Robotic System	63.7%	64.2%
General Home Robotics	9.2%	7.8%



Note: The penetration rate of home robotic system is calculated by dividing the market size of global home robot industry by the market size of home robotic system industry.

Source: Frost & Sullivan Analysis, World Bank Group, National Bureau of Statistics of China, e-commerce platforms

With the gradual acceptance and widespread adoption of AI technology, its application in global home robot industry has driven steady growth in market size, especially in home robotic system. Global home robotic system market size grew from RMB2.2 billion in 2022 to RMB5.9 billion in 2024, with a CAGR of 63.7%. From 2022 to 2024, the penetration rate of home robotic systems, which is calculated by the market size of global home robots industry divided by the market size of home robotic system industry, increased from 1.0% to 2.3% in the global market.

In the future, as AI technology becomes better at meeting people's demands for personalized home solutions, the market size of the global home robotic system industry is expected to continue growing. From 2024 to 2029, the market size of global home robotic system industry is expected to rise at a CAGR of 64.2%, and is expected to reach RMB70.7 billion in 2029. The penetration rate of home robotic systems will reach 16.2% in 2029 in the global market.

Market Drivers of Global Home Robot Industry

According to Frost & Sullivan Report, the global home robot industry is expected to continue its growth, and such expectation is largely driven by the following drivers:

- ***AI technological innovation accelerates the intelligence of home robots:*** Continuous technological innovation has elevated the intelligence of home robots to new heights. Advances in AI, particularly in machine vision, multidimensional perception, and navigation algorithms, have demonstrated significant advantages. For example, home robotic system, empowered by AI technology, can actively perceive environmental changes, simulate human behavior, and collaboratively execute multiple tasks, greatly enhancing user experience.

- ***Robotics technology development drives growth in demand for home robots products:*** Rapid advancements in robotics technology, including improvements in sensors and power systems technology, have significantly expanded the application scope of home robots, driving demand for intelligent products. With progress in IoT and automatic control technologies, home robots are increasingly used in cleaning, security, health monitoring, and other fields.

- ***Global aging population and solo-living trends drive demand for home robot products:*** As human aging accelerates, the elderly population's demand for health monitoring, safety protection, and life convenience has surged. Meanwhile, young solo-living individuals prioritize emotional companionship and life efficiency, leading to innovative products such as remotely controlled pet feeders and voice-activated smart lighting systems. These two groups collectively push home robots to evolve from single-function to multi-scenario collaboration and sensor-less services.

- ***Growing consumer demand for convenient and comfortable home experiences:*** The demand of comfortable home experiences remains a key driver of home robot development. However, as life rhythms accelerate, end consumers are no longer satisfied with basic functionalities but seek autonomous, systematic solutions for household tasks. Home robotic systems, with their environmental understanding and autonomous decision-making frameworks, overcome the limitations of traditional smart devices which rely on preset programs, enabling complicated task execution through intelligent hubs. This shift from passive response to proactive service is redefining the boundaries of home automation services, integrating robots seamlessly into daily life and showcasing market growth potential.

Future Trends of the Global Home Robot Industry

Future trends of the global home robot industry include the following:

- ***Empowering edge computing technology through intelligent hubs:*** Edge computing nodes, as the core of smart home networks, convert and adapt data of different protocols and formats, forming a unified network that enables devices to understand and communicate with each other for collaborative work between multiple devices. Additionally, edge computing's computational capabilities enhance the connection between perception and decision-making collaboration. The empowerment of the edge computing technology provides solid technical support for integrated intelligent hubs and brings a smoother application experience for the overall synergy.

- ***Increasing market penetration of home robotic systems:*** Intelligent hubs are systems capable of collecting and preprocessing scenario data. Through hubs, home robotic systems can execute tasks more precisely, enhancing the user experience through multidimensional collaboration of various home robotic systems. Currently, as consumer demand for comfortable home experiences grows, the collaboration between home robotic systems and intelligent hubs further enhances service capabilities of the robots, aligning with overall market trends and demands. This mutual reinforcement mechanism, aimed at enhancing home experience and supported by technological progress, will expand the application of home robotic systems in home scenarios. The penetration rate of home robotic systems in the global home robot industry will keep rising and is expected to rise from 2.3% in 2024 to 16.2% in 2029.

- ***Trends from "tool-type" to "interactive-type***": Compared with general home robotics that rely on preset programs, home robotic systems demonstrate significant advantages in perception, cognition and interaction due to ongoing advancements in AI technology. By integrating multimodal sensing technologies such as visual recognition, voice interaction, tactile feedback, and environmental perception, these systems achieve high-precision dynamic modeling of home scenarios, thus optimizing real-time and adaptive multi-device coordination. Empowered by AI, the robots not only accurately interpret user intent but also provide highly "human-like" services, ultimately creating an intelligent home ecosystem that is both efficient and emotionally engaging. Moreover, continuous learning mechanisms enable these systems to evolve their interaction models dynamically based on user habits, achieving truly personalized long-term adaptation.

OVERVIEW OF HOME ROBOTIC SYSTEM INDUSTRY

Classification of the Home Robotic System

Home robotic systems feature autonomous learning and device collaboration. Through machine vision and multimodal perception, home robotic systems continuously learn user habits and environmental changes, autonomously building personalized behavior models. They execute tasks spontaneously without commands and collaborate with other devices for proactive responses, delivering a more natural and senseless home experience. Classification of home robotic system includes the following:

- Perception and decision-making systems include perception products and intelligent hubs. As the intelligent control components of home robotic system products, perception and decision-making systems simulate the functions of the human "brain", "skin" and "eyes" in home living scenarios. Through machine learning algorithms, perception and decision-making systems continuously optimize decision-making capabilities and enable multi-device collaborative computing through a shared computing architecture. The systems analyze camera data through visual preprocessing technologies and dynamically coordinate devices through adaptive decision models. At task execution level, they perform intelligent task layering, adjusting in real time priorities for cleaning, security and other tasks based on environmental changes and optimize the decision-making logic, and ultimately realize a deeply interconnected smart home ecosystem with autonomous learning and intelligent decision-making capabilities. These systems include core components such as intelligent hubs, smart IoT devices, and cameras.

- Execution-enhanced robots are advanced mechanical products designed specifically for household scenarios and certain sports scenarios. They integrate motion control, mechanical engineering, and robotics technologies, capable of accurately simulating the movements of human "hands" and "feet" to achieve efficient physical interaction. As a key motion execution component of home robotic systems, they can undertake household automation tasks, such as cleaning and delivery. In specific sports scenarios, execution-enhanced robots rely on high-precision stereo tracking systems to capture the trajectory, speed, and rotation of targets in real-time, use omni-directional movement systems to flexibly adjust positions, and analyze users' habits and skill levels based on intelligent algorithms to provide personalized training programs. Through multi-dimensional data collection and analysis, they help improve skills, greatly expanding the application boundaries of robots in daily life and professional fields.

Importance Analysis of Home Robotic Systems

Importance Analysis of the Perception and Decision-making Systems

The perception and decision-making systems in home living scenarios serve as the "neural network" and "execution hub" of smart homes. Their importance lies in two aspects, including (i) whole-home management, where the perception and decision-making systems achieve 3D spatial semantic understanding through multimodal environmental interaction, dynamically optimizing service strategies for home robotic systems based on deep learning of user habits and environmental conditions; and (ii) risk prevention and control, where these systems enable accident prevention through the linkage of smart IoT devices at different levels.

In particular, the importance of edge computing technology is becoming increasingly prominent. In home robotic systems, edge computing is critical as it enables fast local processing, ensuring timely responses to environmental changes of the robots, thus enhancing user experience. Edge computing allows robots to perform visual recognition, path planning, and autonomous decisions without relying on the cloud, effectively reducing latency and protecting user privacy. Especially in scenarios involving multi-robot collaboration and complex home environments, edge computing supports real-time, multimodal data fusion and control command generation, improving system stability and reliability while enabling true implementation and application of embodied intelligence.

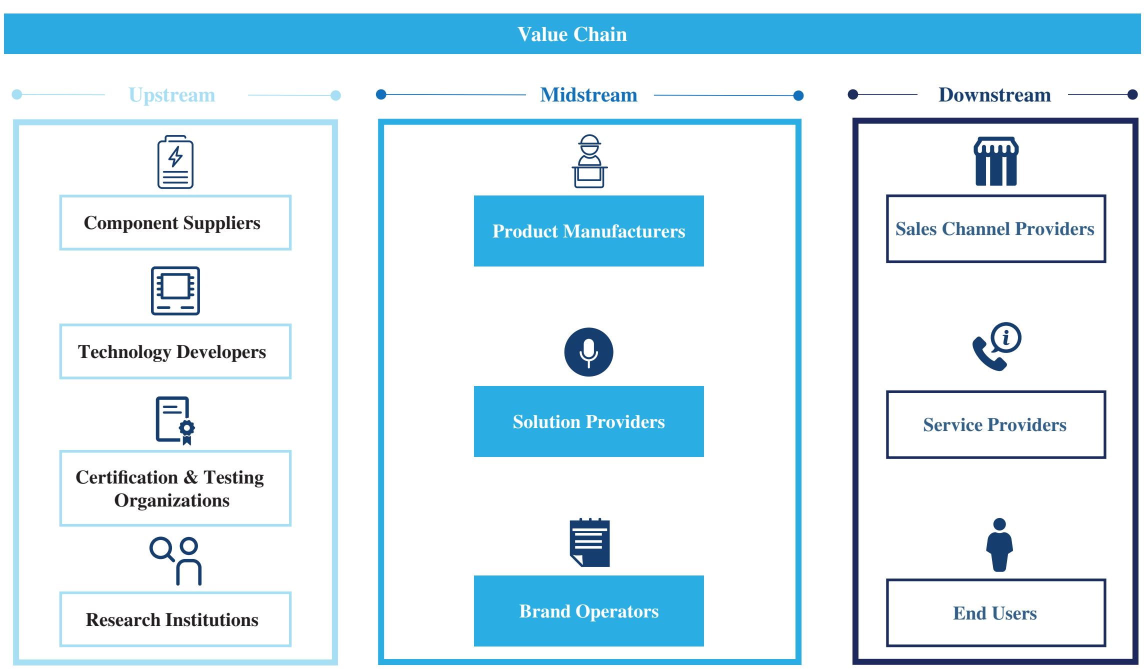
Importance Analysis of Execution-enhanced Robots

Execution-enhanced robots are mechanical products that achieve physical interaction by simulating human "hands", "feet" and other behaviors and applying robotics product technology in home living scenarios. These robots serve as the motion execution components of home robotic systems. By simulating human behaviors, execution-enhanced robots free users from manual tasks. When integrated with perception and decision-making systems, they can accomplish more complex home automation tasks, making home living smarter and more efficient. Specific classifications include:

- ***Dexterous hand-mimic robots.*** Dexterous hand-mimic robots are designed for home living scenarios. These robotic products simulate the functional movements of human "fingers" and "wrists" by using robotics technology to perform physical interactions like pressing, dialing and rotating. Specific products include finger robots, lock robots, and curtain robots.

- ***Enhanced mobile robots.*** Enhance mobile robots refer to robots that expand household life scenarios through product combinations — such as carrying cameras for whole-house patrols and adding water to humidifiers — by imitating human "foot" movements and featuring multiple composite functions (e.g., sweeping and carrying). In sports scenarios, they can flexibly adjust their positions relying on omni-directional movement systems, work with high-precision cameras and other sensing devices to capture target trajectories and dynamics, and analyze interaction needs in combination with intelligent algorithms. For instance, in tennis training, they can simulate human foot movements to track and return balls accurately, adjust serving speed and landing points, thereby forming the composite capability of "mobility + specialized interaction" and further expanding the application boundaries in household and sports scenarios.

Value Chain of Global Home Robotic System Industry



Source: Frost & Sullivan Analysis

The value chain of home robotic system industry covers the entire process from components to consumption: upstream enterprises are responsible for component supply, technology development and research, as well as certification and testing. Midstream enterprises focus on complete machine manufacturing, technology integration, and brand operation. Downstream entities are engaged in sales through channels, after-sales services, and end-user purchases.

Market Size of Home Robotic System Industry

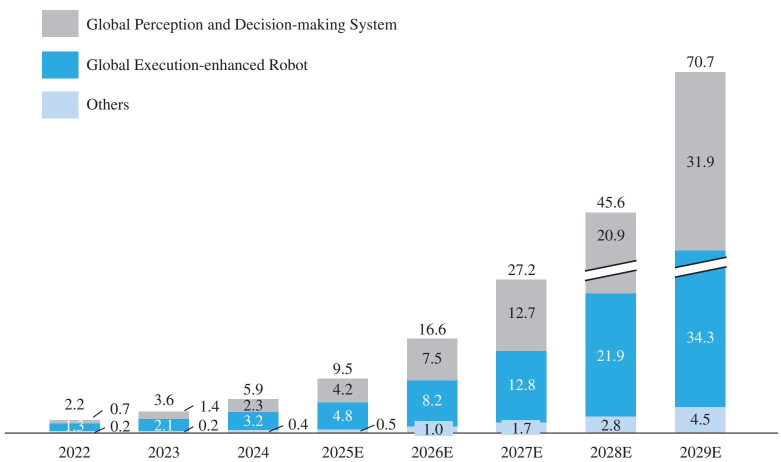
The home robotic system industry has experienced rapid growth. The market size of the global home robotic system industry in terms of retail sales increased from RMB2.2 billion in 2022 to RMB5.9 billion in 2024, representing a CAGR of approximately 63.7% for the period. Driven by factors such as (i) increasing consumer demand for convenient and comfortable home experiences, with over 40% of the people surveyed by Frost & Sullivan identifying "comfort and convenience" as key aspects of their lifestyle; (ii) the adoption of modular design in robotic systems; (iii) application of AI edge computing; and (iv) emerging Vision-Language-Action ("VLA") technology, the global market size of home robotic system industry is projected to reach RMB70.7 billion, representing a CAGR of approximately 64.2% from 2024 to 2029.

The market size of the global perception and decision-making system industry in terms of retail sales increased from RMB0.7 billion in 2022 to RMB2.3 billion in 2024, with a CAGR of approximately 75.7%, and is expected to reach RMB31.9 billion in 2029, representing a CAGR of approximately 69.0% from 2024 to 2029. The market size of the global execution-enhanced robot industry in terms of retail sales increased from RMB1.3 billion in 2022 to RMB3.2 billion in 2024, with a CAGR of approximately 57.0%, and is expected to reach RMB34.3 billion in 2029, representing a CAGR of approximately 61.0% from 2024 to 2029.

The following chart illustrates the market size of the global home robotic system industry in terms of retail sales from 2022 to 2029.

Market Size of Global Home Robotic System Industry, By Retail Sales
RMB billion, 2022–2029E

	2022–2024	2024–2029E
Overall	63.7%	64.2%
Global Perception and Decision-making System	75.7%	69.0%
Global Execution-enhanced Robot	57.0%	61.0%
Others	59.1%	59.3%



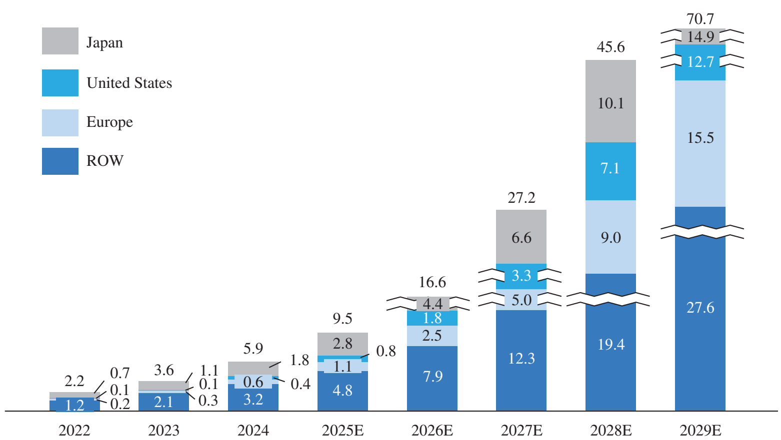
Note: Others refers to home robotic systems' accessories, including key pad touch associated with lock robot, purifiers and fans associated with enhanced mobile robots, cleaning supplies, power solutions, and smart home control accessories, among other things.

Source: Frost & Sullivan Analysis, World Bank Group, National Bureau of Statistics of China, e-commerce platforms

As end consumers' lives accelerate, there is a growing demand for autonomous and integrated household solutions, evidenced by the fact that the number of households worldwide equipped with smart home devices surpassed 300 million in 2023. Simultaneously, the highly responsive interaction model of home robotic systems is reshaping home environments. As a result, the market size for these systems is expected to grow steadily. Specifically, (i) the market size of Japanese home robotic system industry is estimated to reach RMB14.9 billion in 2029 with a CAGR of approximately 52.8% from 2024 to 2029, where a rapidly aging population and strong demand for lifestyle convenience create favorable conditions for home robotic systems; (ii) the market size of the U.S. home robotic system industry is estimated to reach RMB12.7 billion in 2029 with a CAGR of approximately 101.2% from 2024 to 2029, benefiting from a leading technological ecosystem, a large base of smart home users, and a vibrant innovation environment; and (iii) the market size of European home robotic system industry is estimated to reach RMB15.5 billion in 2029 with a CAGR of approximately 94.7% from 2024 to 2029, driven by strong consumer purchasing power, and a high acceptance of automation and intelligent products. The following chart illustrates the market size of the global home robotic system by retail sales and countries/regions.

Market Size of Global Home Robotic System Industry,
By Retail Sales and Countries/Regions
RMB billion 2022–2029E

	2022–2024	2024–2029E
Japan	61.0%	52.8%
United States	91.7%	101.2%
Europe	59.3%	94.7%
ROW	63.5%	54.0%



Note:

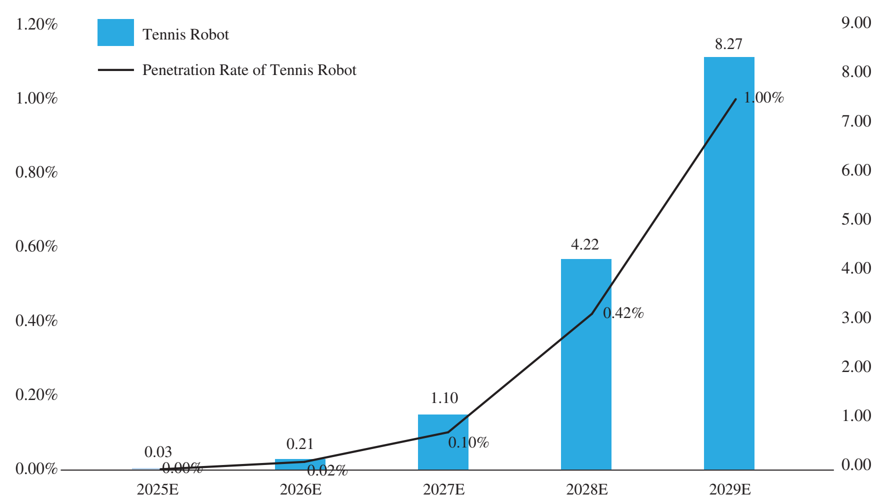
(1) "ROW" refers to the rest of the world, encompassing countries and regions excluding Japan, the United States, and Europe.

Source: Frost & Sullivan Analysis, World Bank Group, e-commerce platforms

The AI tennis robot is an intelligent sports partner capable of autonomous decision-making, playing against human players, and performing returning and hitting actions. Its emergence marks a significant expansion of embodied intelligence in the field of sports. With the growing popularity of tennis, the AI tennis robot not only provides enthusiasts with a practice partner available around the clock to help improve their skills and enjoy the fun of sports, but also, due to its cost-effectiveness compared to human coaches, enables ordinary tennis enthusiasts to learn and practice the sport at a lower cost. The market demand for tennis robots has also expanded correspondingly. The market size of the global tennis robot industry in terms of retail sales will grow from RMB0.03 billion in 2025. In the future, many professional and semi-professional players will rely on tennis robots to improve their skills, making them a valuable investment for training institutions. From 2025 to 2029, the industry is expected to rise at a CAGR of 293.0%, and the market size of the global tennis robot industry in terms of retail sales is expected to reach RMB8.27 billion in 2029. In addition, the penetration rate will increase to 1.0%. The following chart illustrates the market size of the global tennis robot industry in terms of retail sales.

Market size of Tennis Robot Industry, By Retail Sales
RMB billion, 2025E-2029E

	2025E–2029E
CAGR	293.0%



Source: Frost & Sullivan Analysis, International Tennis Federation

In the future, considering that tennis robots will provide not only general services but also value-added services such as action analysis reports for users, the subscription fee market for this segment is expected to exceed RMB1 billion by 2030.

Market Drivers for Home Robotic Systems

According to Frost & Sullivan Report, the home robotic system industry is largely driven by the following key growth drivers:

- ***Consumer demand for convenient and comfortable home experiences:*** end consumers' demand for convenient and comfortable home experiences drives a higher demand for responsive home robotic systems. Tasks involving sensing and collaboration are growing. For example, by visually detecting changes in ambient light and leveraging edge computing to autonomously determine whether to open or close curtains, the systems can optimize indoor lighting without user commands and collaborate with temperature control and lighting systems. In such scenarios, the empowerment of home robotic systems enables whole-home integration, incorporating more intelligent and automated functions to make the living experience more comfortable and convenient. The increasing complexity of scene logic, combined with multi-device collaboration, continuously elevates the importance of perception and decision-making collaboration.

- ***Modular design drives product function expansion:*** Execution-enhanced robots will feature more modular designs, integrating more intelligent and automated functions to handle increasingly complex household tasks. Dexterous hand-mimic robots can be equipped with different tool modules, and their modular design and product stacking capabilities enable flexible function replacement and iteration. For example, they can perform diverse tasks such as opening/closing curtains and serving tea, evolving from a single sweeping function to a comprehensive whole-home service platform.

- ***Application of AI edge computing:*** Leveraging on chips, home robotic systems can deploy local computing power and real-time multimodal AI models, enabling user demand anticipation and proactive services. For example, they can interpret users' natural language commands and combine them with 3D mapping for object localization and route planning. Meanwhile, cloud-based computing and AI edge computing complement each other in data processing, real-time response, and security, working collaboratively to improve response efficiency. For computationally intensive tasks with relatively low real-time requirements, cloud-based processing is adopted. For tasks demanding high real-time performance but lower computing power, local edge computing is adopted.

- ***Applications of VLA technology:*** With the adoption of the VLA new paradigm in embodied intelligence, home robotic systems can make autonomous decisions in diverse scenarios and flexibly respond to unseen environments. The application of VLA models significantly enhances robots' understanding and adaptability in complex environments, driving home robotic systems toward greater generalizability and broader applicability across varied scenarios.

Future Trends of Home Robotic Systems

Key trends of home robotic system industry include the following:

- ***Energy efficiency upgrades:*** In terms of energy optimization, home robotic systems leverage edge computing to analyze device loads in real time, through dynamically adjusting communication frequency and power modes to reduce consumption. With continuous AI algorithm optimization, energy efficiency upgrades will further drive the development of lighter, longer-lasting, and higher-performance home robotic systems, enhancing their wider application value in smart homes.

- ***Gradually enhanced autonomous learning and more flexible human-robot interaction:*** AI technology is transforming traditional command-based interactions. With the adoption of VLA technology, perception and decision-making systems are evolving, enabling home robotic systems to understand users' complex instructions. In the future, the autonomous learning capabilities of home robotic systems will remain a core trend in the industry's development. Robots will no longer rely solely on pre-programmed tasks but will dynamically adapt to different home environments and user needs through autonomous perception, comprehension, and decision-making. Continuous advancements in visual recognition, semantic understanding and environmental modeling will allow robots to accumulate data through daily interactions, updating user behavior models in real time to deliver personalized, context-aware service experiences. Moreover, autonomous learning will also facilitate cross-device collaboration, enabling multiple devices to work together on complex tasks, forming a more efficient and intelligent home ecosystem. Ultimately, home robots will proactively identify needs and predict behaviors, significantly improving living comfort and safety. This trend will also drive the industry toward more sophisticated and natural human-robot collaboration, fostering new application scenarios and service models.

Entry Barriers of the Home Robotic System

According to Frost & Sullivan Report, new entrants of the home robotic system industry primarily encounter the following entry barriers:

- ***Profound industry understanding and consumer pain point insight:*** In the execution-enhanced robot industry, a profound insight into consumer needs is one of the keys to success. Execution-enhanced robot companies need to accurately identify pain points in various home application scenarios, design and develop products tailored to address these pain points, and satisfy end consumers' personalized, intelligent and all-around service demands.

- ***Solid technological innovation capabilities:*** In the home robotic system industry, the key to a company's success hinges on the accumulation of core technologies, reflected in areas such as 3D environment mapping and machine vision. Positioning and environment construction technologies, through multi-sensor fusion and edge technologies, enable robots to achieve high-precision positioning and 3D environment mapping in complex home environments, ensuring accurate obstacle recognition and environmental awareness. This provides a solid foundation for stable autonomous movement and task execution. Secondly, machine vision control technology combines cloud-based deep learning and edge computing, utilizing visual sensors and optimized processing units to ensure home robots can recognize and understand their environment and perform complex tasks, thereby enhancing the product's intelligence level and user experience. Additionally, distributed neural control network technology employs low-power, high-efficiency communication protocols to ensure real-time collaborative control among smart home devices. Overall, solid technological capabilities enable robotic products to achieve high intelligence, adaptability and stability, which are core advantages for companies to stand out in a highly competitive market.

- ***Continuous optimization of enhanced product functionalities:*** Multifunctional execution-enhanced robots can perform and achieve more functions, as well as enable multi-dimensional task coordination. For example, in cleaning, a robot can first perform cleaning and then reposition a humidifier to achieve all-around environmental optimization services. This multi-task coordination and collaborative operation significantly enhances the practicality and convenience of execution-enhanced robots, allowing end consumers to enjoy more efficient and intelligent service experiences during use.

- ***Strong brand image:*** A strong brand image and reputation can increase end consumers' trust and recognition of execution-enhanced robots. By offering diverse product functionalities, user-centric services, and unique usage experiences, companies can gain consumer approval and establish a positive reputation. Users who experience stable, high-quality products are more likely to develop long-term trust and make repeat purchases. Positive word-of-mouth can also attract more potential end consumers, driving sustained market growth for the brand.

COMPETITION LANDSCAPE OF GLOBAL HOME ROBOTIC SYSTEM INDUSTRY

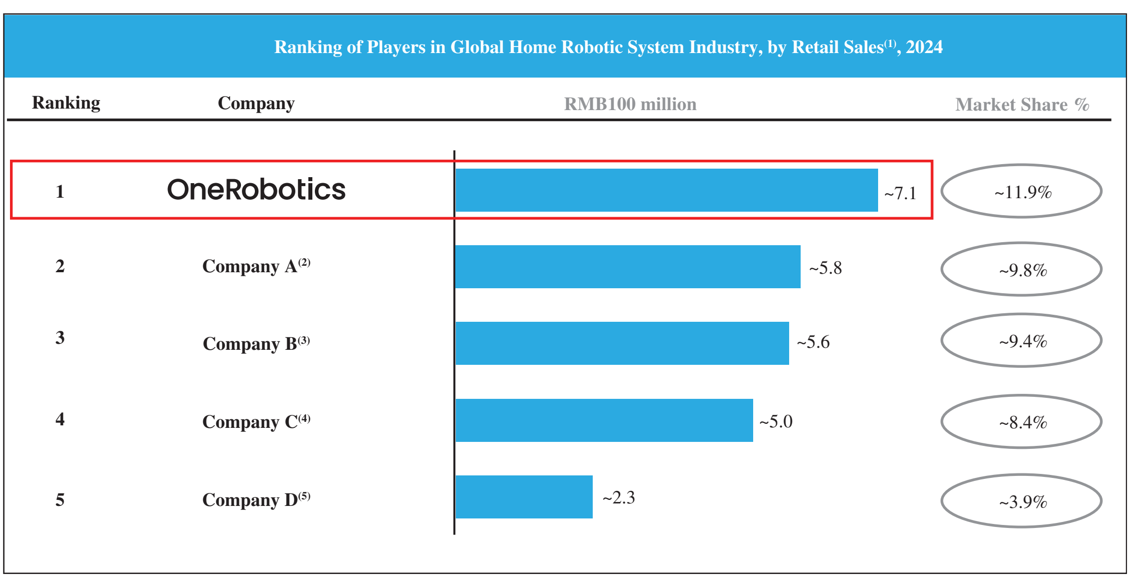
Overview of Major Players in Global Home Robotic System Industry

The competition in the global home robotic system industry has gradually intensified in recent years and is highly dynamic. On the one hand, existing enterprises in this industry are continuously advancing embodied intelligence technologies for home scenarios and the implementation of system-level applications. On the other hand, new market entrants are actively competing for market share. Additionally, leading international technology companies, leveraging their comprehensive strengths in fields such as artificial intelligence algorithms and hardware manufacturing are accelerating the introduction of innovative products and technical solutions, thereby further intensifying competition and adding uncertainty to the industry's competitive environment.

By the end of 2024, the major players in the industry included our Company and Company A. Leveraging its technological innovation capabilities, our Company stands out as an industry player who fully deploys the home robotic system category and it is also the pioneer of dexterous hand-mimic robots, including finger robots, fingerprint lock robots and curtain robots, and enhanced mobile robots and their combinations.

From the perspective of comprehensive product solutions, we are a company to achieve full deployment of home robotic categories across comprehensive home living scenarios. Full deployment means our product portfolio covers the entire range of execution-enhanced robots, perception and decision-making systems.

In terms of retail sales, we ranked first among providers of home robotic system products in the global market in 2024. The following chart illustrates the ranking and market share of the top five players in the global home robotic system industry in terms of retail sales in 2024.



Notes:

(1) For the specific meaning of home robotic systems, please refer to the section headed "Glossary" in this prospectus.

(2) Retail sales refers to the total sales value of a product when it is sold to the final consumer through retail channels, including any markups added by distributors or retailers.

(3) Company A: was established in 2010 with its headquarters in Beijing, China. It was listed on the Stock Exchange in 2018. Company A is a consumer electronics and intelligent manufacturing company centered on smartphones, smart hardware, and the IoT platform.

(4) Company B: was founded in 2009 with its headquarters in Shenzhen. Company B focuses on smart home and IoT solutions, covering the research and development, production, and sales of smart devices.

(5) Company C: was founded in 1891, headquartered in Amsterdam, the Netherlands, and listed on the New York Stock Exchange in 1987. Company C is a large comprehensive company with departments including healthcare, lighting, and premium lifestyle, covering a wide range of business areas.

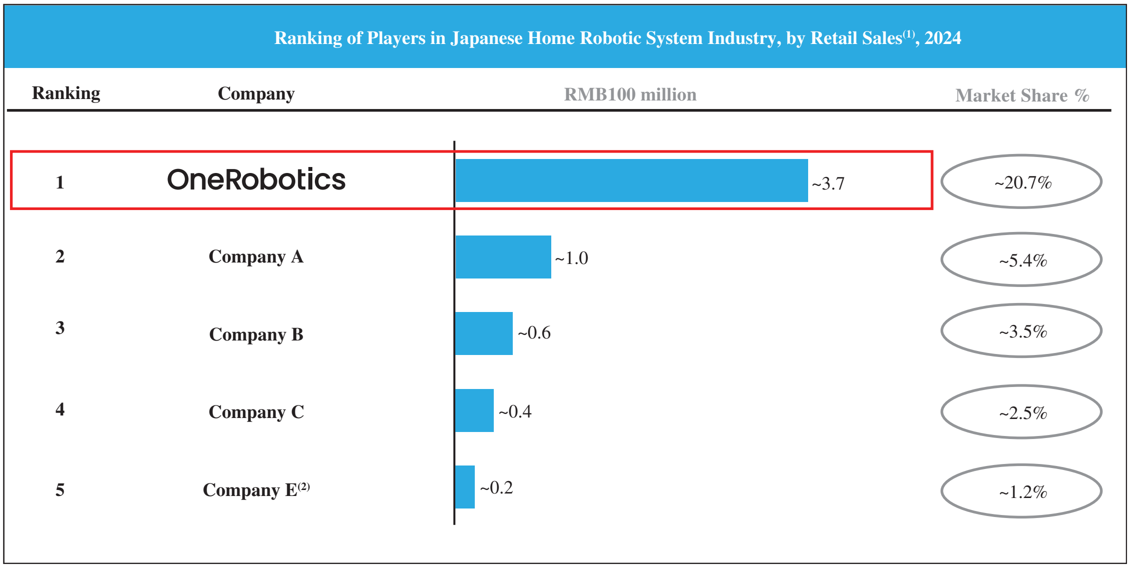
(6) Company D: was established in 2015 with its headquarters in Hangzhou, China. It was listed on the Shanghai Stock Exchange in 2022. Company D is committed to becoming a trustworthy smart home service provider and an IoT cloud platform provider.

Source: Frost & Sullivan Analysis, e-commerce platforms

Competitive Landscape in Various Sub-markets

From the perspective of competition in various sub-markets, we achieved market shares of 6.2%, 9.4% and 12.9% in finger robots, lock robots and curtain robots, respectively, respectively ranked first, fourth, first in terms of retail sales in 2024 in global market. We have also developed the world's smallest intelligent laser robotic vacuum cleaner. As of May 2025, we launched the SwitchBot AI Hub that integrates large language models with edge computing, which significantly boosts local computing power, enabling faster and more efficient decision-making. This product represents a further upgrade from the AI capabilities of the original Hub, with added edge computing capabilities, enabling multi-source perception and autonomous decision-making in multiple scenarios. It can also collaborate with home robots to complete various functions such as home patrol.

In the Japanese market, we ranked first among providers of home robotic system products in terms of retail sales from 2022 to 2024 and our finger robot, lock robot and curtain robot ranked first from 2022 to 2024 in Japanese market. The specific ranking is shown in the graphs below.



Notes:

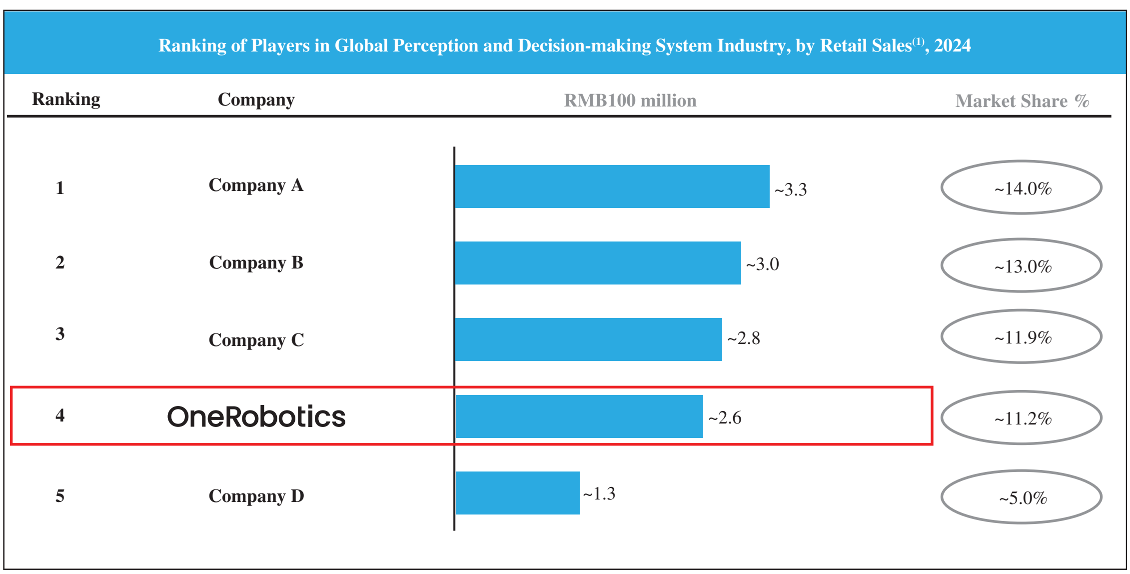
(1) For the specific meaning of home robotic systems, please refer to the section headed "Glossary" in this prospectus.

(2) Retail sales refers to the total sales value of a product when it is sold to the final consumer through retail channels, including any markups added by distributors or retailers.

(3) Company E: was registered in 2019 with its headquarters in China. Company E is to design and provide comprehensive solutions to smart home devices.

Source: Frost & Sullivan Analysis, e-commerce platforms

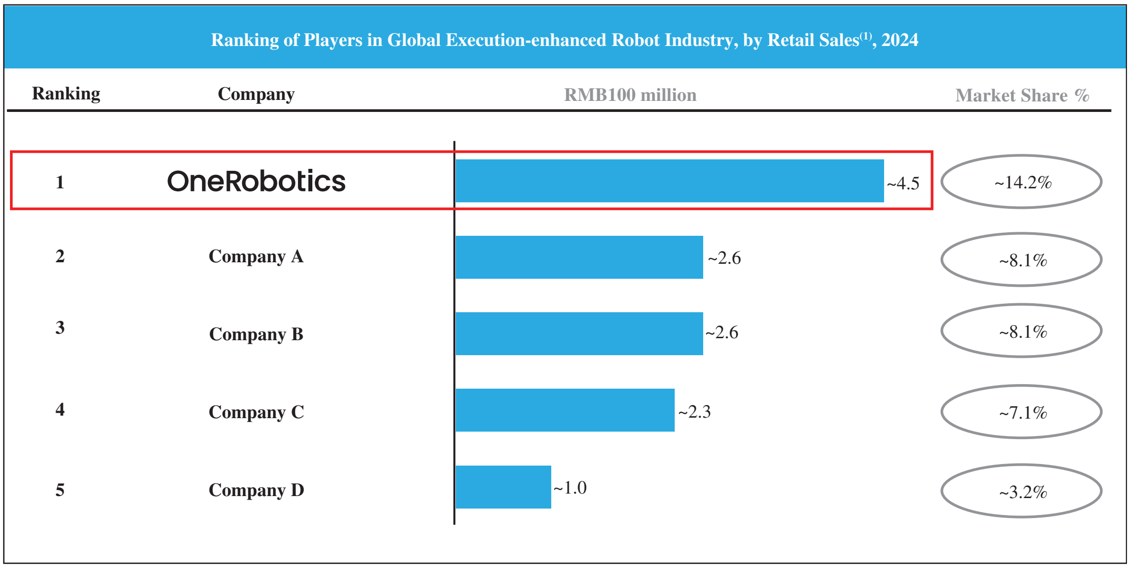
In terms of retail sales by product category, we achieved market shares of 11.2% and 14.2% with respect to perception and decision-making systems and execution-enhanced robots, respectively, in 2024. We ranked fourth and first globally in terms of retail sales of perception and decision-making systems and execution-enhanced robots in 2024. Market participants in the global home robotic systems can be roughly divided into two categories. The first category is vertical participants, which means enterprises focusing on a single product line, specifically including those that only focus on perception and decision-making systems, and those that only specialize in execution-enhanced robots. The second category is comprehensive participants, which means enterprises that lay out both of the above-mentioned product categories. In addition, the market distribution of the global home robotic systems industry is mainly concentrated in Japan, Europe and North America. Currently, both the perception and decision-making systems market and the execution-enhanced robots market are in a fierce competition, with our Company, Company A, Company B and Company C being the major participants. We achieved market shares of 27.0% and 28.0% in Europe and North America, respectively, in terms of retail sales in 2024. The following charts illustrate the market share information of the top five players in the global perception and decision-making system and execution-enhanced robot industries in terms of retail sales in 2024.



Note:

(1) Retail sales refers to the total sales value of a product when it is sold to the final consumer through retail channels, including any markups added by distributors or retailers.

Source: Frost & Sullivan Analysis, e-commerce platforms



Note:

(1) Retail sales refers to the total sales value of a product when it is sold to the final consumer through retail channels, including any markups added by distributors or retailers.

Source: Frost & Sullivan Analysis, e-commerce platforms

This section sets out a summary of certain aspects of the laws and regulations which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of this prospectus, which may be subject to change.

A. PRC LAWS AND REGULATIONS

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

Regulations Relating to Foreign Investment

All limited liability companies incorporated and operating in the PRC are governed by *Company Law of the People's Republic of China* (《中華人民共和國公司法》) (the "Company Law"), which was amended on December 29, 2023 and became effective on July 1, 2024. *The Company Law* stipulates on the establishment and dissolution of the company, the organizational structure and the capital system of the company, and strengthens the responsibilities of shareholders and management personnel and corporate social responsibility.

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "Foreign Investment Law"), was promulgated by the National People's Congress and became effective on January 1, 2020, repealing simultaneously *the Law of the PRC on Sino-foreign Equity Joint Ventures* (《中華人民共和國中外合資經營企業法》), *the Law of the PRC on Wholly Foreign-owned Enterprises* (《中華人民共和國外資企業法》) and *the Law of the PRC on Sino-foreign Cooperative Joint Ventures* (《中華人民共和國中外合作經營企業法》). On December 26, 2019, the State Council promulgated *the Regulation for Implementing the Foreign Investment Law of the People's Republic of China* (《中華人民共和國外商投資法實施條例》) (the "FIE Implementing Regulations"), which became effective on January 1, 2020 and replaced the implementation rules of each of *the Law of the PRC on Sino-foreign Equity Joint Ventures, the Law of the PRC on Wholly Foreign-owned Enterprises and the Law of the PRC on Sino-foreign Cooperative Joint Ventures*. *The FIE Implementing Regulations* strictly implements the legislative principles and purpose of the *Foreign Investment Law,* emphasizes promoting and protecting the foreign investment and refines the specific measures to be implemented.

The Foreign Investment Law and *the FIE Implementing Regulation* apply the administrative system of pre-establishment national treatment plus negative list to foreign investment and clarify the state shall develop a catalogue of industries for encouraging foreign investment to specify the industries, fields, and regions where foreign investors are encouraged and directed to invest. Investment activities in the

PRC by foreign investors were principally governed by *the Catalog of Industries for Encouraged Foreign Investment (2022 Version)* (《鼓勵外商投資產業目錄(2022年版)》) (the "Encouraged Catalog"), and *the Special Administrative Measures for Access of Foreign Investment (Negative List)* (《外商投資准入特別管理措施(負面清單)》) (the "Negative List"). The current *Encouraged Catalog* took effect on January 1, 2023 and the current *Negative List* is *the 2024 Negative List* took effect on November 1, 2024, and serves as the main basis for the management and supervision of foreign investments in PRC. Foreign investment in those industries not set out on *the 2024 Negative List* and *Encouraged Catalog* is generally deemed as permitted unless specifically restricted or prohibited under other PRC laws. *The Encouraged Catalog and the Negative List* are subject to review and update by the PRC government from time to time. Our business does not fall within the restricted or prohibited catalogue.

Regulations Relating to Product Quality

According to *the Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》) (the "Product Quality Law") promulgated on February 22, 1993, and last amended on December 29, 2018, producers shall be responsible for the quality of their products and sellers shall adopt measures to maintain the quality of products for sale. Where a defective product causes physical injury or damage to a third party's property, the victim may claim compensation from the manufacturer or the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer, and vice versa, if the manufacturer pays compensation and it is the seller that is liable, the manufacturer has a right of recourse.

Standardisation Law of the People's Republic of China (《中華人民共和國標準化法》), promulgated on December 29, 1988, and last amended on November 4, 2017, stipulates that products and services which do not comply with mandatory standards shall not be manufactured, sold, imported or provided.

Regulations Relating to E-commerce Activities and Cross-Border E-commerce

E-commerce Activities

On August 31, 2018, the SCNPC promulgated *the E-Commerce Law of the People's Republic of China* (《中華人民共和國電子商務法》) (the "E-Commerce Law"), which became effective on January 1, 2019. Business activities conducted online to sell commodities or offer services shall be governed by *the E-Commerce Law*. Pursuant to *the E-Commerce Law*, e-commerce operators that engage in the business activities of selling commodities or offering services through the internet and other information networks include e-commerce platform operators, intra-platform business operators, and other e-commerce operators that sell commodities or offer services through a self-built website or other network services.

Cross-Border E-Commerce

Since 2013, the PRC government has promulgated multiple regulations or policies to encourage and support the development of cross-border e-commerce in China. These include *the Notice of the General Office of the State Council on Forwarding the Opinions of the Ministry of Commerce and Other Departments on Implementing Relevant Policies to Support the Cross-Border E-Commerce Retail Export* (《國務院辦公廳轉發商務部等部門關於實施支持跨境電子商務零售出口有關政策意見的通知》) issued by the General Office of the State Council on August 21, 2013, *the Guiding Opinions of the General Office of the State Council on Promoting the Sound and Rapid Development of Cross-Border E-Commerce* (《國務院辦公廳關於促進跨境電子商務健康快速發展的指導意見》) issued by the General Office of the State Council on June 16, 2015, *the Several Opinions of the State Council on Promoting the Stabilization and Upswing of Foreign Trade* (《國務院辦公廳關於支持外貿穩定增長的若干意見》) issued by the State Council on May 15, 2014, and *the Letter of 14 Departments including the Ministry of Commerce on Replicating and Popularizing Mature Experience and Practices from Cross-Border E-Commerce Comprehensive Pilot Zones jointly issued by the Ministry of Commerce* (《商務部等14個部門關於複製推廣跨境電子商務綜合試驗區探索形成的成熟經驗做法的函》), the NDRC and another twelve departments on October 26, 2017. These policies support implementation of preferential tax policies for e-commerce export, establishment of the e-commerce export credit system, establishment of warehouses for export products and overseas operation centers, creation of independent brands and improvement of export product quality, optimization of cross-border e-commerce management model and customs clearance formalities, and provisions of payment services and foreign exchange settlement services to cross-border e-commerce enterprises.

Exportation of Goods

Pursuant to *the Foreign Trade Law of the People's Republic of China* (《中華人民共和國對外貿易法》) which took effect on July 1, 1994, and last amended on December 30, 2022, foreign traders engaging in import and export of goods or technology shall submit documents and material related to its foreign trade activities to the relevant departments in accordance with the provisions of the foreign trade department of the State Council or other relevant State Council departments in accordance with the law.

Pursuant to *the Law of the People's Republic of China on Import and Export Commodity Inspection* (《中華人民共和國進出口商品檢驗法》) which was promulgated on February 21, 1989 and last amended on April 29, 2021, the import and export commodities which are listed in the Catalogue shall be inspected in accordance with the compulsory requirements of the technical regulations of the State.

Pursuant to *the Customs Law of the People's Republic of China* (《中華人民共和國海關法》) promulgated on January 22, 1987 and last amended April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the Customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

Pursuant to *the Administrative Provisions of the Customs 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》) which took effect on January 1, 2022, the consignees and consignors for imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant administration department of customs in accordance with the laws.

Regulations Relating to Intellectual Property

Copyright

On September 7, 1990, the SCNPC promulgated *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), which was last amended in 2020. *The implementing regulations of the PRC Copyright Law* (《中華人民共和國著作權法實施條例》)was promulgated in 2002 and amended in 2013. *The PRC Copyright Law* and its implementation regulations are the principal laws and regulations governing copyright related matters. Pursuant to the amended *PRC Copyright Law*, products disseminated over the internet and software products, among others, are entitled to copyright protection. Registration of copyright is voluntary, and it is administrated by the China Copyright Protection Center.

The State Council and National Copyright Administration (hereinafter referred to as "NCA"), have promulgated various rules and regulations relating to the protection of software in China, including *the Regulations on Protection of Computer Software* (《計算機軟件保護條例》) which took effect on March 1, 2013, and *the Measures for Registration of Copyright of Computer Software* (《計算機軟件著作權登記辦法》) which took effect on February 20, 2002. According to these rules and regulations, software owners, licensees, and transferees may register their rights in software with the NCA or its local branches and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees, and transferees are encouraged to complete the registration process and thus the registered software rights may be entitled to better protections.

Trademark

According to the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), promulgated by the SCNPC in August 1982, and last amended in 2019, the Trademark Office of China National Intellectual Property Administration is responsible for the registration and administration of trademarks. Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within twelve months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered.

Renewed registrations are valid for ten years. In April 2014, the State Council issued the revised *Implementing Regulations of the PRC Trademark Law* (《中華人民共和國商標法實施條例》), which specified the requirements of applying for trademark registration and review.

Patent

According to the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) promulgated by the SCNPC in 1984 and last amended in 2020, a patentable invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for a design, starting from the application date. Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper license from the patent owners to use the patent, otherwise, the use of the patent will constitute an infringement of the rights of the patent holder.

Domain Names

On August 24, 2017, the MIIT promulgated *the Administrative Measures on Internet Domain Names* (《互聯網域名管理辦法》). Internet domain name services as well as the operation, maintenance, supervision, and administration thereof and other relevant activities within the territory of the PRC shall be made in compliance with *the Administrative Measures for Internet Domain Names*. In accordance with *the Measures on Country Top-level Domain Name Dispute Resolution* (《中國互聯網絡信息中心國家頂級域名爭議解決辦法》) promulgated by the China Internet Network Information Center (hereinafter referred to as "CNNIC"), which became effective on June 18, 2019, domain name dispute can be resolved by a domain name dispute resolution institution recognized by the CNNIC.

Regulations Relating to Outbound Investments By Enterprises

Pursuant to the *Administrative Measures on Outbound Investment*s (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, lastly amended on October 6, 2014, overseas investments of enterprises involving sensitive countries and regions and sensitive industries shall be subject to examination and approval by the competent department of commerce and other overseas investments of enterprises shall be subject to filing. The competent department of commerce shall carry out the administration of overseas investments of enterprises through the overseas investment administration system, and issue to enterprises which have obtained filing or approval a Certificate of Overseas Investments of Enterprises. When the domestic institution invests in an overseas enterprise through its overseas subsidiary, it shall report to the competent department of commerce after completing the overseas legal formalities of reinvestment.

Pursuant to the *Administrative Measures for the Outbound Investments by Enterprises* (《企業境外投資管理辦法》), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors.

Pursuant to the *Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions* (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the *Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment* (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Regulations Relating to Foreign Exchange

Pursuant to *the Foreign Exchange Administration Regulations of the People's Republic of China* (《中華人民共和國外匯管理條例》) last amended in August 2008, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but is subject to certain foreign exchange regulations for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside the PRC, which require prior registration with SAFE or its designated banks.

Pursuant to *the Notice on Further Simplifying and Improving Policies of Foreign Exchange Administration on Direct Investment* (《關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by the SAFE and effective on June 1, 2015, two administrative approval matters, including foreign exchange registration approval under domestic direct investment and foreign exchange registration approval under overseas direct investment, shall be reviewed and processed directly by banks. The SAFE and its local bureaus shall implement indirect supervision through the foreign exchange registration with banks for direct investment.

Pursuant to *the Notice of the SAFE on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises* (《國家外匯管理局關於外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19"), which took effect on June 1, 2015, and was partially amended on March 23, 2023, and *the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE Circular 16"), promulgated and effective on June 9, 2016, and was partially amended on December 4, 2023, the system of voluntary foreign exchange settlement is implemented for the foreign exchange earnings of foreign exchange capital of foreign-invested enterprises ("FIE"). Foreign exchange capital in an FIE's capital account, for which the monetary contribution has been registered, may be settled at a bank as required by the actual management needs of the enterprise. The proportion of discretionary foreign exchange settlement of the foreign exchange capital is temporarily determined as 100%. The SAFE may make adjustments to the said ratio at appropriate times based on the status of the international balance of payments. In addition, The foreign exchange incomes of capital accounts and capital in RMB obtained by an FIE from foreign exchange settlement shall not be used for any of the following purposes: (i) directly or indirectly for payments outside the business scope of the FIE or payments prohibited by applicable laws and regulations; (ii) directly or indirectly for investment in securities or financial schemes other than bank guaranteed products (except for wealth management products and structured deposits with a risk rating not higher than level two) unless otherwise provided by applicable laws and regulations; (iii) the granting of loans to non-affiliated enterprises, unless otherwise permitted by its business scope; and (iv) the construction or purchase of real estate that is not for self-use (except for enterprises engaged in real estate development and leasing operations).

On October 23, 2019, the SAFE promulgated *the Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment* (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "SAFE Circular 28"), which was partially amended. The SAFE Circular 28 provides that non-investment foreign-invested enterprises may use capital to make equity investment in the PRC in accordance with laws under the premise that the investment is not in violation of the applicable special entry management measures for foreign investment (negative list) and the projects invested are true and in compliance with relevant laws and regulations.

On April 10, 2020, the SAFE issued *the Notice of the SAFE 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》) ("the SAFE Circular 8"). The SAFE Circular 8 provides that under the condition that the use of the funds is genuine and compliant with current administrative provisions on use of income relating to capital account, enterprises are allowed to use income under capital account such as capital funds, foreign debts and overseas listings for domestic payment, without submission to the bank prior to each transaction of materials evidencing the veracity of such payment.

Regulations Relating to Dividend Distributions

According to the *Company Law* and *Foreign Investment Law*, the PRC Entities, as FIEs, are required to draw 10% of its after-tax profits each year, if any, to fund a statutory reserve, which may stop drawing its after-tax profits if the aggregate balance of the statutory reserve has already accounted for over 50% of its registered capital. These reserves are not distributable as cash dividends.

Regulations Relating to Share Incentive Plans

According to *the Notice of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company* (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "Share Incentive Rules"), which was issued on February 15, 2012, and other related regulations, directors, supervisors, senior management and other employees who are (i) PRC citizens or non-PRC citizens residing in mainland China for a continuous period of not less than one year, and (ii) participating in any share incentive plan of a company listed overseas, subject to certain exceptions, are required to register with the SAFE. All such participants need to authorize a qualified PRC agent, such as a PRC subsidiary of the company listed overseas, to register with the SAFE and to deal with foreign exchange matters such as account opening and transfer and settlement of proceeds. The Share Incentive Rules further require an offshore agent to be designated to take charge over matters relating to the exercise of share options and sales proceeds for participants of the share incentive plans. Failure to complete the said SAFE registrations may subject the participating directors, supervisors, senior management and other employees to fines and other legal sanctions.

The State Administration of Taxation has further issued several circulars concerning employee share options and restricted shares. Under these circulars, employees working in the PRC who exercise share options or are granted with restricted shares will be subject to PRC individual income tax. The mainland China subsidiaries of a company listed overseas are required to file documents relating to employee share options and restricted shares with relevant tax authorities and to withhold individual income tax for employees who exercise their share options or purchase restricted shares. If an employee fails to pay or the mainland China subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the mainland China subsidiaries may face penalties imposed by the tax authorities.

Regulations Relating to Cybersecurity and Data Security

According to *the Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》) (the "Cybersecurity Law"), which was promulgated by the SCNPC and became effective on June 1, 2017, and other related laws and regulations, network service providers are required to take measures to safeguard cybersecurity by complying with cybersecurity obligations, formulating cybersecurity emergency response plans, and providing technical assistance and support to public security and national security authorities. Failure to comply with such laws and regulations may subject the network service providers to administrative penalties including, without limitation, fines, suspension of business operation, shutdown of business websites, revocation of licenses as well as criminal liabilities. The Cybersecurity Law applies to the construction, operation, maintenance and use of the network as well as the supervision and administration of cybersecurity within the territory of China.

After the release of *the Cybersecurity Law*, on May 2, 2017, the Cyberspace Administration of China (the "CAC") issued *the Measures for Security Reviews of Network Products and Services (Trial)* (《網絡產品和服務安全審查辦法(試行)》), which was later replaced by *the Cybersecurity Review Measures* (《網絡安全審查辦法》). *The Cybersecurity Review Measures* was promulgated by the CAC and other relevant authorities on April 13, 2020 and last amended on February 15, 2022. *The Cybersecurity Review Measures* establishes the basic framework and principle for national security reviews of network products and services. Pursuant to the *Cybersecurity Review Measures*, in addition to critical information infrastructure operators purchasing network products or services that affect or may affect national security, any "online platform operators" controlling personal information of more than one million users which seeks to list on a foreign stock exchange should also be subject to cybersecurity review. Government authorities may initiate a cybersecurity review against an online platform operator if such authorities believe that the network products or services or data processing activities of such operator affect or may affect national security.

On July 30, 2021, the State Council promulgated *the Regulations on Protection of Critical Information Infrastructure* (《關鍵信息基礎設施安全保護條例》) which took effect on September 1, 2021, and pursuant to which, "critical information infrastructures" is defined to mean critical network facilities and information systems involved in important industries and sectors, such as public communication and information services, energy, transportation, water conservancy, finance, public services, governmental digital services, science and technology related to national defense industry, as well as those which may seriously endanger national security, national economy, livelihood of citizens, or public interests if any damage is suffered or caused to malfunction, or if any leakage of data in relation thereto occurs. Pursuant to these regulations, the relevant governmental authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth in the regulations, and further identify critical information infrastructure operators in the related industries in accordance with such rules. The relevant authorities shall also notify any operator if it is identified as a critical information infrastructure operator. As of the date of this prospectus, we have not been informed as a critical information infrastructure operator by any government authorities.

On June 10, 2021, the SCNPC promulgated *the Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》) (the "Data Security Law"), which took effect on September 1, 2021. *The Data Security Law* provides for data security and privacy obligations on entities and individuals carrying out data-related activities. *The Data Security Law* also introduces a data classification and hierarchical protection system based on the importance of the data with respect to economic and social development, as well as the degree of harm that will result on national security, public interests, or legitimate rights and interests of individuals or organizations if such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall have designated personnel and a management body responsible for data security, carry out risk assessments for its data processing activities and file its risk assessment reports with the competent authorities. In addition, the Data Security Law sets out a national security review procedure applicable to data processing activities that affect or may affect national security and imposes restrictions on the export of certain data.

On December 8, 2022, the MIIT issued *the Administrative Measures for Data Security in the Field of Industry and Information Technology (Trial Implementation)* (《工業和信息化領域數據安全管理辦法(試行)》) (the "MIIT Data Security Measures"), which took effect on January 1, 2023. *The MIIT Data Security Measures* prescribes that data processors in the field of industry and information technology shall follow the principles of lawfulness and appropriateness in collecting data. During the data collection process, the data processors shall take security measures corresponding to and appropriate for the relevant data.

On May 10, 2024, the MIIT issued *the Implementing Rules for the Risk Assessment of Data Security in the Field of Industry and Information Technology (Trial Implementation)* (《工業和信息化領域數據安全風險評估實施細則(試行)》), which took effect on June 1, 2024. Such implementing rules apply to data security risk assessment activities conducted by important data or core data processors in the field of industry and information technology in China. General data processors may also refer to these rules to conduct data security risk assessment. The implementing rules establish data security risk assessment mechanisms at both ministerial and provincial levels, refine assessment obligations of processors of important data and core data, and clarify the mechanism and procedures for competent industrial authorities to supervise and administer such assessment activities.

On September 24, 2024, the *Regulations on Network Data Security Management* (《網絡數據安全管理條例》) was issued by the State Council, which took effect on January 1, 2025. According to the *Regulations on Network Data Security Management*, network data handlers shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, and on the basis of classified protection of cyber security, strengthen the protection of network data security, establish and perfect the system of network data security management, take technical measures to protect network data, and prevent illegal and criminal activities aiming at and using network data.

Regulations Relating to Labor

Labor Law and Labor Contracts

According to *the Labor Law of the People's Republic of China* (《中華人民共和國勞動法》) promulgated on July 5, 1994, and last amended on December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with safe workplace and sanitation conditions that follow relevant laws and regulations of labor protection.

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated on June 29, 2007, and amended on December 28, 2012, and *the Implementation Rules of the Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008, set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of employment, the employers shall truthfully inform the employees of the scope of work, working conditions, workplace, occupational hazards, work safety, salary, and other matters that the employees request.

Social Insurance and Housing Fund

Employers in the PRC are required to contribute, for and on behalf of their employees, to a number of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work related injury insurance, maternity insurance, and housing fund. These payments are made to local administrative authorities and employers. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include *the Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, and amended on December 29, 2018, *the Interim Regulations on the Collection and Payment of Social Insurance Premiums* (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999, and amended on March 24, 2019, *the Regulations on Work-related Injury Insurance* (《工傷保險條例》), which was promulgated by the State Council on April 27, 2003, and amended on December 20, 2010, and *the Regulations on Management of the Housing Fund* (《住房公積金管理條例》), which was promulgated and became effective on April 3, 1999, and was last amended on March 24, 2019. Under the abovementioned laws and regulations, employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period.

Regulations Relating to Work Safety

Under relevant construction safety laws and regulations, including *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002 and last amended on June 10, 2021, production and operating business entities must establish objectives and measures for work safety and improve the working environment and conditions for workers in a planned and systematic way. A work safety protection scheme must also be set up to implement the work safety responsibility system. In addition, production and operating business entities must arrange work safety training and provide their employees with protective equipment that meets the national or industrial standards.

Regulations Relating to Environmental Protection

Pollutant discharge

Pursuant to the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) (the "Environmental Protection Law") promulgated by the SCNPC on December 26, 1989, amended on April 24, 2014, and effective on January 1, 2015, any entity which discharges or will discharge pollutants during the course of manufacturing, construction or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

Environmental protection authorities impose various administrative penalties on persons or enterprises in violation of *the Environmental Protection Law*. Such penalties include warnings, fines, orders to rectify within a prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. In addition, environmental organizations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare.

Pursuant to the *Administrative Measures for Pollutant Discharge Licensing (for Trial Implementation)* (排污許可管理辦法(試行)) promulgated on January 10, 2018 and partially amended on August 22, 2019, which were subsequently replaced by the *Administrative Measures for Pollutant Discharge Licensing* (排污許可管理辦法) that took effect on July 1, 2024, enterprises, public institutions and other producers and operators under the administration of discharge permits shall apply for and obtain a pollutant discharge license and discharge pollutants in accordance with the provisions of the discharge permit. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants. According to the *Catalog of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources* (2019) (固定污染源排污許可分類管理名錄(2019年版)) issued by the MEE on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

Regulations Relating to Fire Control

Fire Protection Design Procedure

The *Fire Prevention Law of the People's Republic of China* (《中華人民共和國消防法》) (the "Fire Prevention Law") was adopted on April 29, 1998, and last amended on April 29, 2021. According to *the Fire Prevention Law* and other relevant laws and regulations of the PRC, the Emergency Management Authority of the State Council and local governments at or above the county level shall monitor and administer the fire prevention affairs, and the fire prevention and rescue departments of such governments are responsible for implementation. *The Fire Prevention Law* provides that the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards.

The Required As-built Acceptance Check on Fire Prevention and Fire Safety Filing

Pursuant to *the Fire Prevention Law*, upon the completion of a construction project to which the fire prevention design has been applied, such project must pass the required as-built acceptance check on fire prevention by, or file with, relevant housing and urban-rural development authority. After *the Fire Prevention Law* was amended on April 23, 2019, the relevant housing and urban-rural development authority replaced fire prevention and rescue departments to monitor and administer the required as-built acceptance check on fire prevention and fire safety filing. Even if the construction project has completed the fire safety filing, it may be randomly inspected by the relevant government authorities and if it fails to pass random inspection by the relevant government authorities after the fire safety filing, the construction entity shall close down the construction project, and if rectification is not made, it will be ordered by the relevant government authorities to close down or cease the business operations and be fined not less than RMB30,000 but not more than RMB300,000.

Regulations Relating to Lease Property

Pursuant to *Administrative Measures on the Lease of Commodity Housing* (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010, parties to a lease agreement shall complete the lease registration and filing process with the competent construction (real estate) departments of the municipalities directly under the PRC governments of cities and counties where the housing is located within 30 days after the lease agreement is signed. For those who fail to comply with the above regulations, such competent departments may impose a fine ranging from RMB1,000 and RMB10,000 per lease.

Regulations Relating to Overseas Listings

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued *the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law* (《關於依法從嚴打擊證券違法活動的意見》), which requests improvement on the laws and regulations related to data security, cross-border data transfer and the management of confidential information, strengthening responsibility for the information security of overseas listed companies, strengthening standardized mechanisms for providing cross-border information and improvement of cross-border audit regulatory cooperation in accordance with the law and the principle of reciprocity.

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法) (the "Trial Administrative Measures"), which came into effect on March 31, 2023. On the same date, the CSRC circulated the Supporting Guidance Rules No. 1 through No. 5, Notes on the Trial Administrative Measures, Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and relevant CSRC Answers to Reporter Questions, or collectively, the Guidance Rules and Notice. Under the Trial Administrative Measures and the Guidance Rules and Notice, domestic companies conducting overseas securities offering and listing, either directly or indirectly, shall complete filings with the CSRC pursuant to the Trial Administrative Measures' requirements within three working days following the submission of an initial public offering or listing application. If a domestic company fails to complete required filing procedures or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

On February 24, 2023, the CSRC, Ministry of Finance of the PRC, National Administration of State Secrets Protection, and National Archives Administration of China jointly issued the *Provisions on Strengthening the Confidentiality and Archive Management Work Relating to the Overseas Securities Offering and Listing* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Confidentiality Provisions"), which came into effect on March 31, 2023, with the Trial Administrative Measures. The Confidentiality Provisions require that, among other things, (a) a domestic company that plans to, either directly or through its overseas-listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers, and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; and (b) domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals and entities including securities companies, securities service providers and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or the public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. Any failure or perceived failure by the company, or its PRC subsidiary to comply with the above confidentiality and archives administration requirements under the Confidentiality Provisions, and other PRC laws and regulations may result in the relevant entities being held legally liable by competent authorities and referred to the judicial authority to be investigated for criminal liability if suspected of committing a crime.

Laws and Regulations in Relation to the H Share "Full Circulation"

We shall comply with regulations on the H share "full circulation" to converse its domestic shares into H shares and circulate on the Stock Exchange. Pursuant to the *Guidelines on Application for "Full Circulation" of 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 "Full Circulation

Guidelines") promulgated and implemented by the CSRC on November 14, 2019, and last revised and effective on August 10, 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

According to the Full Circulation Guidelines, "Full Circulation" represents the shareholders of domestic unlisted shares of domestic companies (including the unlisted domestic shares held by domestic shareholders before overseas listing, the unlisted domestic shares issued in the territory after overseas listing and the unlisted shares held by foreign shareholders) are listed and circulated on the Stock Exchange. The shareholders of domestic unlisted shares shall authorize the domestic company to file the "Full Circulation" application with the CSRC by filing materials on key compliance issues, including whether the "Full Circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

According to the *Measures for Implementation of H-share "Full Circulation" Business* (《H股「全流通」業務實施細則》) (the "Measures for Implementation"), promulgated by the CSDC and the Shenzhen Stock Exchange (the "SZSE") on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the H-share "full circulation business," are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC and China Securities Depository and Clearing (Hong Kong) Company Limited (the "CSDC (Hong Kong)"), and the SZSE. In order to fully promote the reform of H-shares "Full Circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, CSDC (Hong Kong) promulgated the Circular on Issuing the amendment and publication of the "Guidelines for the Full Circulation" of H-Shares of China Securities Depository and Clearing (Hong Kong) Company Limited on September 20, 2024, effective on September 23, 2024, which specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, among others.

B. JAPAN LAWS AND REGULATIONS

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

Laws and Regulations in Relation to Product Liability and Consumer Protection

Pursuant to the Product Liability Act of Japan (Act No. 85 of 1994), in the case where a defect in a product causes damage to the life, body, or property of others, "the manufacturer, etc." is liable for such damage. If such product is imported, the importer is included in definition of "manufacturer, etc."

Pursuant to the Act on Specified Commercial Transactions (Act No.57 of 1976, as amended), a seller must include certain details of a product in its advertisement and application form, when such advertising and application for purchase are done via websites or other media, and where the transaction of the product is conducted via communication devices (postal mail or other information processing devices). These details include selling prices, timing and means of paying, time of delivery, the applicable policy on withdrawal/cancellation of the transaction. A seller is also prohibited from making misleading advertisements, as well as sending advertisements via email without the consent of the recipient.

Pursuant to the Act against Unjustifiable Premiums and Misleading Representations (Act No. 134 of 1962, as amended), entrepreneurs are prohibited from making representations to general consumers that significantly exaggerate the quality, standard, or other attributes of goods or services, thereby likely inducing unjust transactions and impairing rational consumer choice (a "Misleading Representation").

If the Prime Minister (or the Secretary General of the Consumer Affairs Agency by delegation) deems it necessary to assess whether a representation constitutes a Misleading Representation, they may designate a period during which the entrepreneur must submit substantiating data. Failure to provide such data results in a presumption that the representation is misleading.

Entrepreneurs found to have made Misleading Representations may be subject to:

1. Administrative orders, including:

   - Rectification measures;

   - Preventive actions; and

   - Commitments not to repeat the violation;

2. Surcharges, equal to 3% of the sales amount related to the misleading goods/services during the violation period (up to three years, including a post-violation period of up to six months); and

3. Criminal penalties, including imprisonment (up to two years), individual fines (up to JPY3 million), and corporate fines (up to JPY300 million) for non-compliance with administrative orders.

Entrepreneurs are also required to establish and implement internal compliance systems under the Act. A failure to do so without just cause may lead to administrative guidance.

Laws and Regulations in Relation to Electrical Appliances

Under the Electrical Appliance and Material Safety Act, all persons engaged in importing Electrical Appliances and Materials shall fulfil the following obligations:

(i) Notification to the Minister of Economy, Trade and Industry;

(ii) Confirmation of compliance with the technical standards;

(iii) Assessment of the Electrical Appliances and Materials and keeping the record of the assessment for three years from the assessment;

(iv) Labelling the PSE mark with the Electrical Appliances and Materials; and

A person, including a judicial person (i.e. the company), who failed to fulfil the obligations above may be subject to order for action and criminal penalty.

Under the Radio Act, when the specified radio equipment does not conform to the technical regulations, etc., the Minister of Internal Affairs and Communications may order to report on the specified radio equipment pertaining to the relevant technical regulations conformity certification, to inspect the relevant specified radio equipment, etc., to submit the relevant specified radio equipment, etc., and to take measures necessary for preventing the relevant obstruction or harm caused by the relevant specified radio equipment from expanding, etc.

Therefore, in order to confirm the technical regulations under the Radio Act, a person selling the specified radio equipment needs to receive the technical regulations conformity certification service by the registered certification body and obtain the technical regulations conformity certification.

Laws and Regulations in Relation to Labor and Employment

In Japan, several key labor laws govern employment relationships, including:

- the Labor Standards Act (Act No. 49 of 1947);
- the Industrial Safety and Health Act (Act No. 57 of 1972); and
- the Labor Contract Act (Act No. 128 of 2007).

The Labor Standards Act sets out minimum working conditions applicable to most workers and employers in Japan (excluding, for example, national public officers). Any contractual provision below these statutory standards is void, and penalties apply for violations.

The Industrial Safety and Health Act requires employers to implement workplace safety and health measures, including formulating industrial accident prevention plans and establishing a safety and health management system.

The Labor Contract Act governs the employment contracts, dismissals, and disciplinary actions. It emphasizes mutual agreement in employment terms and protects employees by requiring that dismissals have objectively reasonable grounds and be socially appropriate. Changes to employment terms that disadvantage employees must also be reasonable, or they will be deemed invalid.

Laws and Regulations in Relation to International Trade/Cross-border Trade

Under the Customs Act of Japan (Act No. 61 of 1954), in the case where an importer is accepting goods arriving in Japan from a foreign country, an import declaration shall be filed with Japan Customs in principle and customs duties, if any, shall be paid. When an import declaration is made, Japan Customs shall inspect the goods as necessary, and after confirming that the importer has paid the corresponding customs duties, permit the importation of the goods.

If goods require a permit upon importation under laws and regulations other than the Customs Act of Japan, it would be necessary for an importer to obtain a permit prior to filing the import declaration.

Laws in Relation to Trademark

The Trademark Act (Act No. 127 of 1959, as amended) aims to protect registered trademarks. A holder of registered trademark right or an exclusive license thereof may demand a person who infringes or is likely to infringe the trademark right or the exclusive license to stop or prevent such infringement.

Laws and Regulations in Relation to Tax

Japanese companies are obliged to pay corporate tax. Corporate tax is broken down into two parts: one part is levied based on the annual income of the previous year, and the other part is levied uniformly regardless of the annual income. Corporate tax rates and amounts vary depending on a company's income and size (capital and number of employees), ranging from 15% to 23.2%.

Laws and Regulations in Relation to Personal Data Collection

The Act on the Protection of Personal Information (Act No. 57 of 2003, as amended) imposes various requirements on businesses that use databases containing personal information. Under this Act, any holder of personal information must lawfully use such personal information and must not use it beyond the scope of the purposes specified when the information was obtained. Entities holding personal information are also restricted from providing personal information to third parties, subject to certain narrow exceptions. This Act is also applicable to the operators outside Japan which obtain personal information in relation to the provision of goods or services to persons in Japan.

C. U.S. LAWS AND REGULATIONS

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

Laws and Regulations in Relation to Product Liability and Consumer Protection

As a manufacturer and seller of smart home robotic products, we may be subject to liability under the relevant U.S. product liability and consumer protection laws if our products are found to be defective. While specific laws and judicial interpretations vary across the 50 U.S. states, product liability claims generally fall into three categories: (i) design defects; (ii) manufacturing defects; and (iii) failure to warn. Some states also impose a post-sale duty to warn of newly discovered defects.

Product liability lawsuits may be brought by end consumers or as class actions, and manufacturers may face indemnity or contribution claims from others in the supply chain. Remedies available to plaintiffs may include compensatory damages (e.g., medical expenses, lost income, property damage), and in some cases, punitive damages for reckless or intentional misconduct.

The law of product safety is primarily under the jurisdiction of the U.S. Consumer Product Safety Commission (the "CPSC"), an administrative agency of the United States federal government that regulates certain classes of products sold to the public. The CPSC was established pursuant to the 1972 Consumer Product Safety Act (as amended, the "CPSA"). The CPSA is the umbrella statute at the federal level with respect to product safety for consumer products.

The CPSA was amended by the U.S. Consumer Product Safety Improvement Act of 2008 (the "CPSIA") in 2008. The implementation of CPSIA was a significant overhaul of consumer product safety laws in the United States and was designed to enhance federal and state efforts to improve the safety of all products imported into and distributed in the United States. Products imported into the United States which fail to comply with CPSIA's requirements are subject to confiscation and the importer and/or distributor in the United States is subject to civil penalties and fines, as well as possible criminal prosecution.

The Magnuson-Moss Warranty Act, administered by the Federal Trade Commission, governs written and implied warranties for consumer products. While warranties are not mandatory, any warranty provided must comply with disclosure and labeling requirements under the Act. Consumers may pursue remedies for warranty breaches through litigation, including recovery of attorneys' fees.

Laws and Regulations in Relation to International Trade

Our cross-border operations include the importation of goods into the United States and the exportation of goods from the United States. As a result, our business requires compliance with tariffs and other import controls, anti-dumping rules and regulations, export controls, U.S. economic and other sanctions programs, and anti-bribery laws and regulations.

Laws and Regulations in Relation to Importation of Goods into the United States

The importation of goods into the United States is mainly governed by the Tariff Act of 1930, the Customs Modernization Act, and regulations issued by U.S. Customs and Border Protection ("CBP"). Under these rules, U.S. importers are primarily responsible for correctly declaring the value, classification, and duty rate of imported goods. Importers must exercise "reasonable care" when submitting information and documents to CBP, to ensure proper duty assessment, accurate import data, and legal compliance.

If someone uses false or misleading information to bring goods into the U.S., CBP may impose civil penalties. The severity of the penalty depends on the level of fault, which may be classified as negligence, gross negligence, or fraud:

1. Negligence occurs when someone fails to use reasonable care to ensure the information provided is complete and accurate or fails to perform required actions.

2. Gross negligence involves a clear disregard of known facts or responsibilities.

3. Fraud means the person knowingly and intentionally provided false information, proven by clear and convincing evidence.

Penalties increase with the level of culpability, especially if the false statements affect the amount of duties assessed on the imported goods.

Anti-dumping Laws and Regulations

U.S. federal anti-dumping laws and regulations prohibit unfair global competition by prohibiting non-U.S. entities from selling products in the U.S. for unreasonably low prices. The usual test is whether the goods are being sold in the U.S. for less than they are sold for in the home market. If a company is found to be violating anti-dumping regulations, U.S. customs can impose additional duties on the imported goods.

Tariffs

The United States imposes various tariffs on imported goods. While the U.S. Constitution grants Congress the authority to impose tariffs, certain laws allow the President to exercise this power under specific circumstances. All goods imported into the U.S. are classified for tariff purposes under the Harmonized Tariff Schedule of the United States ("HTSUS"). The HTSUS is maintained by the U.S. ITC and is regularly updated to reflect changes in international trade and tariff policy. Every product imported into the U.S. must be classified under a specific HTSUS subheading. Key government agencies involved in the administration of international trade and tariffs include the U.S. Customs and Border Protection (the "CBP"), the U.S. International Trade Commission ("ITC"), and the Office of the U.S. Trade Representative (the "USTR").

The CBP is responsible for collecting tariffs at the time goods are cleared through U.S. customs. The ITC is an independent federal agency that enforces U.S. trade remedy laws and advises the President, Congress, and the USTR on trade-related matters. It also investigates alleged violations of U.S. trade laws, including unfair trade practices under Section 337 of the Tariff Act of 1930, and import surges that may harm U.S. industries under Section 201 of the Trade Act of 1974.

The USTR, a cabinet-level official, acts as the President's chief adviser and representative on international trade matters. Under Section 301 of the Trade Act of 1974, the USTR may impose tariffs or other trade restrictions if it determines that a foreign government has engaged in unfair trade practices. In 2018, following an investigation, the U.S. imposed additional tariffs on certain goods originating from China. These Section 301 tariffs are applied in addition to other duties, such as anti-dumping duties. The resulting trade measures have led to disputes between the United States and China, including proceedings initiated before the World Trade Organization.

Depending on the latest development of the trade negotiations between the U.S. and China, the level and number of products subject to additional tariffs may change over time. For details of the latest U.S. tariff development, please refer to the section headed "Summary — Recent Regulations in Relation to Tariffs, Export Controls and Sanctions — U.S. Tariff Policies".

Laws and Regulation in Relation to Data Privacy

We are subject to a variety of laws and regulations in the United States that involve privacy, data protection and personal information, data security, and data retention and deletion. In particular, we are subject to federal, state, and foreign laws regarding privacy and protection of people's data. U.S. federal and state laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate and may be interpreted and applied inconsistently from state to state and country to country and inconsistently with our current policies and practices.

Laws and Regulations in Relation to Tax

Federal government

The U.S. federal government can levy a variety of taxes on U.S. businesses, non-U.S. businesses engaging in certain activities in the United States, and business owners and their employees. Our business activities in the U.S. require us to pay U.S. federal income tax, taxes on the sale of certain assets, income tax on dividends, distributions, and interest, sales and other transfer taxes, employee payroll taxes, withholding obligations, and other taxes.

A corporation organized under the laws of the U.S. or any state is subject to U.S. corporate tax on its worldwide income and gains. Corporate income tax is imposed at a flat rate of 21% (plus any applicable state or local corporate tax). Taxes are based on operating earnings after expenses have been deducted.

State and Local Governments

In addition to the federal government, the 50 U.S. states and their political subdivisions play an important role in taxing and regulating business activity within their respective jurisdictions. For example, our business activities within a U.S. state may be subject to the state's business and personal income tax, payroll tax, sales tax, real and personal property tax, franchise tax, withholding obligations, and other taxes. In addition, some local governments, such as counties and cities, may impose their own similar taxes.

Laws and Regulations in Relation to Registration and Regulation

Corporations in the United States are registered and organized in one of the 50 states. In addition to its legal formation in a particular state, a corporation that does business in more than one state may need to qualify or register to do business in other states if the corporation's activities establish "minimum contacts" for tax purposes in those states. Individual state laws apply to business transactions occurring in each state, unless such laws conflict with, or are superseded by, U.S. federal law, which takes precedence over state and local law. For this reason, U.S. businesses frequently must comply with separate federal, state and local regulations.

Final Rule by the U.S. Department of the Treasury

On October 28, 2024, the Department of the Treasury issued the Final Rule to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern". The Final Rule became effective on January 2, 2025.

Application Scope of the Final Rule

The Final Rule applies to investments by U.S. persons as to "covered transactions" involving "covered foreign person" associated with a "country of concern" in "covered activities."

- "Covered activities" include activities in (1) semiconductors and microelectronics sectors, (2) quantum information technologies sectors and (3) artificial intelligence sectors that pertain to national security technologies and products.

- "Covered transactions" under the Final Rule include (1) acquisition of equity (including purchases of shares in an initial public offering) or contingent equity, (2) debt financing, (3) conversion of contingent equity interest, (4) greenfield and brownfield investments, (5) joint ventures, and (6) investments made as a limited partner.

- "Covered foreign person" means (1) a person of a country of concern who or who is engaged in activities involving one or more of the three sectors of semiconductors and microelectronics, quantum information technologies, and artificial intelligence, and (2) a person that directly or indirectly holds a board seat on, a voting or equity interest in, or any contractual power to direct the management or policies of a person of a country of concern.

- "Country of concern" for now is the People's Republic of China, including Hong Kong and Macau.

Major Components of the Final Rule

Under the Final Rule, a "covered transaction" may be a "prohibited transaction", which is outright prohibited, or a "notifiable transaction", which are subject to notification requirements. In addition, certain transactions that would have been considered prohibited or notifiable transactions may be exempted from the prohibition or notification requirements and may be considered an "excepted transaction" under the Final Rule if certain conditions are met. Details of the prohibited transactions, notifiable transactions and excepted transactions are set forth below.

Prohibited Transactions

Prohibited transactions refer to the prohibition on certain U.S. investments in a covered foreign person engaged in covered activities pertaining to specified categories of advanced technologies and products. A U.S. person may not engage in such transaction unless an exemption for that transaction has been granted. For instance, investments by U.S. persons in covered foreign persons engaged in the following activities in the artificial intelligence industry reach the threshold for "prohibited transactions" under the Final Rule:

- Military end use;
- Government intelligence or mass-surveillance end use; or
- Develops any AI system that is trained using a quantity of computing power greater than 10ˆ24 computational operations.

Notifiable Transactions

Notifiable transactions refer to the transactions where the business activities conducted by a covered foreign person do not reach the threshold for prohibited transactions but still require notification by a U.S. person of their transactions to the Department of Treasury. For instance, transactions are notifiable if the covered foreign person in the artificial intelligence sector is engaged in machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. A U.S. person shall file a notification of their covered transactions with the Department of Treasury.

Excepted Transactions

The Final Rule provided certain categories of excepted transactions from coverage, provided that such transactions did not afford the U.S. person certain rights beyond standard minority shareholder protection. Excepted transactions include (1) investments in publicly traded securities, (2) securities issued by investment companies, (3) certain limited partner or equivalent investments, (4) derivatives, (5) full buyouts from a person of a country of concern, (6) intracompany transactions, (7) certain syndicated debt financings, (8) equity-based compensation, and (9) certain transactions involving a person of a country or territory outside of the U.S. based on a determination by the U.S. Secretary of the Treasury.

Notably, under the Final Rule, the "publicly traded security" exception exempts the investments in publicly traded securities of covered foreign persons. However, any acquisition of an equity interest in a covered foreign person that is not yet publicly traded for the purpose of facilitating an initial public offering would not be an excepted transaction of the Final Rule.

D. GERMANY AND EUROPEAN UNION LAWS AND REGULATIONS

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

Laws and Regulations Relating to Product Safety and Product Liability

Product Safety

Pursuant to applicable product-related laws in the European Union and Germany, all products must be designed, manufactured, and used in a manner that does not pose unacceptable risks to users. In particular, electrical and electronic equipment must comply with specific technical standards, environmental protection requirements, waste disposal regulations, eco-design and energy labelling rules, and electromagnetic compatibility standards. The specific regulatory requirements vary depending on the nature and specifications of each product.

Relevant (non-exhaustive) regulations for our products include:

- Directive 2014/35/EU (Low Voltage Directive)
- Directive 2014/30/EU (EMC Directive)
- Directive 2014/53/EU (Radio Equipment Directive)
- Directive 2011/65/EU (RoHS Directive)
- Directive 2012/19/EU (WEEE Directive)
- Regulation (EU) 2023/1542 on batteries and accumulators
- Directive 2009/125/EC (Eco-design Directive)
- Regulation (EU) 2017/1369 (Energy Labelling Regulation)
- Directive 2006/42/EC (Machinery Directive), replaced by Regulation (EU) 2023/1230 (already partially applicable)
- General Product Safety Regulation (in force since 13 December 2024)

- Regulation (EU) 2019/1020 (Market Surveillance Regulation)

German equivalents include, in particular, the German Product Safety Act (Produktsicherheitsgesetz — *ProdSG*) and other national implementing or supplementary provisions that transpose, apply, and further define EU legal requirements.

The above-mentioned regulations generally provide for:

- **Product properties** — including restrictions on certain substances, construction and design requirements, technical standards, radio or electromagnetic frequency compliance, and other essential product characteristics.

- **Product labelling** — such as manufacturer/importer identification, CE marking (where applicable), and energy efficiency labels.

- **Registration and notification obligations** — e.g., registration of electrical and electronic equipment or batteries/accumulators in public registers, and participation in authorised recycling systems.

- **Take-back obligations** — including end-of-life take-back for electronic equipment and batteries/accumulators.

- **Technical documentation** — e.g., testing reports, expert opinions, design drawings, and declarations of conformity for CE marking (where applicable).

- **User information and instructions** — provision of user manuals in the official language(s) of the country of sale (i.e., in German), and affixing necessary warnings directly to the product.

Under the German Product Safety Act (*Produktsicherheitsgesetz* — ProdSG), distributors may only place products on the German market if, when used as intended or in a reasonably foreseeable manner, they do not pose any risk to health or safety. In general, product-related EU and German laws apply when a product is placed on the market (*Inverkehrbringen*), made available on the market (*Bereitstellen*), or imported (*Einführen*) into the German or EU market.

Compliance must be demonstrated through a conformity assessment. Where the product falls under EU harmonization legislation requiring CE marking, compliance must be evidenced by the CE marking and supported by comprehensive technical documentation, typically including a risk assessment, user and maintenance instructions, and safety and disposal guidelines.

If a product does not fall within the scope of CE marking requirements, the manufacturer (or other responsible economic operator) must nevertheless ensure compliance with all applicable national and EU product safety rules. In such cases, conformity is generally demonstrated by preparing and maintaining appropriate technical documentation showing compliance with relevant national or EU requirements (e.g. General Product Safety Regulation, sector-specific rules).

If a product is found to be non-compliant, authorities may impose enforcement measures such as prohibition of sale or display, mandatory product recall or withdrawal, or confiscation and destruction of the product. Non-compliance with product safety requirements may result in administrative fines of up to EUR100,000 per violation, or criminal penalties, including imprisonment of up to one year in serious cases. In circumstances involving harm to individuals, more severe penalties may apply.

Product Liability

Product liability in Germany is primarily governed by the German Product Liability Act (*Produkthaftungsgesetz — ProdHaftG*), which transposes the EU Product Liability Directive (85/374/EEC) into national law. The *ProdHaftG* establishes a strict (no-fault) liability regime for damages caused by defective products. Under this regime, manufacturers, importers, distributors, or any party presenting itself as the producer (e.g. by affixing a trademark or name on the product), may be held liable for personal injury or damage to privately used property resulting from product defects, regardless of fault or negligence.

A product is considered defective if it fails to provide the level of safety that a person is entitled to expect, taking into account all circumstances, including the product's presentation, its intended use, and the time it was placed on the market (Section 3 *ProdHaftG*). Defects can arise from design flaws (*Konstruktionsfehler*), manufacturing issues, or inadequate instructions and warnings (*Instruktionsfehler*).

If a defective product causes harm, the injured party may claim compensation. The *ProdHaftG* provides for a standard limitation period of three years from the date on which the claimant becomes aware of the damage and the liable party, and an absolute limitation period of ten years from the date the product was first placed on the market. The maximum amount for personal injuries caused by a product or by identical products with the same defect is EUR85 million. (Section 10 *ProdHaftG*). This limitation applies exclusively to personal injuries and refers to one and the same event. There is no statutory limitation of liability for property damage. Multiple liable parties may be held jointly and severally liable.

The *ProdHaftG* does not contain any explicit requirements regarding the place of residence or the place of purchase. The decisive factor is that the damage concerns the legal interests specified in Section 1 *ProdHaftG* (life, body, health, or certain property damage) and that a product defect is present. Pursuant to Section 4(2) *ProdHaftG*, a manufacturer is also deemed to be anyone who, in the course of business, imports or brings a product into the territory of the European Economic Area (EEA). As a result, the Act is generally applicable in practice when the defective product enters the EEA — particularly Germany — and is used here as intended, regardless of the place of manufacture.

Specifically, the *ProdHaftG* applies when:

- the injured party resides in Germany and the defective product was placed on the German market;
- the product was purchased in Germany and placed on the German market; or
- the harm occurred in Germany and the product was placed on the German market.

It is sufficient that the producer could have reasonably foreseen that the product may be made available in Germany by a third party, such as a customer or distributor. Importantly, liability under the *ProdHaftG* cannot be contractually excluded or limited in advance.

In addition to strict liability, according to Section 15(2) *ProdHaftG*, claims arising from other statutory bases of liability remain unaffected, in particular tort liability under the German Civil Code (Sections 823 et seq. *Bürgerliches Gesetzbuch — BGB*) may apply where damage is caused by a producer's negligence or wilful misconduct. This includes liability for breach of legal duties to ensure product safety, which may encompass obligations to monitor the market and to take corrective measures (e.g. product recalls or safety warnings) if new risks arise after the product is marketed. As a result, tort claims can be asserted alongside product liability claims. This can be relevant for enforcing claims, as tort law does not provide for maximum liability amounts and in some cases applies different limitation rules. The scope of tort liability is generally unlimited.

Furthermore, under contractual warranty rules in the *BGB*, sellers are obliged to deliver defect-free products. In the event of a defect, the buyer may be entitled to remedies such as repair, replacement, price reduction, or contract rescission. Sellers may seek recourse against the producer where contractually or legally permitted.

Laws and Regulations Relating to Data Protection

Our operations in the European Union ("**EU**"), including Germany, are subject to the GDPR, which sets out a comprehensive framework governing the collection, use, processing, and transfer of personal data. The GDPR applies to EU-based entities and, in certain circumstances, to entities established outside the EU that process personal data of individuals located in the EU and carry out activities such as offering goods or services to, or monitoring the behavior of, individuals within the EU.

The GDPR adopts a risk-based approach to compliance. Organizations must implement appropriate risk management practices to document and demonstrate compliance, including regular and ad hoc risk assessments and the implementation of risk-mitigation measures. Personal data must be processed in line with the GDPR's core principles: lawfulness, transparency, purpose limitation, data minimization, accuracy, storage limitation, security, and accountability. These principles apply regardless of the technology or medium used and extend to both automated and non-automated processing operations. Before any processing takes place, a valid legal basis must be identified as provided under the GDPR (and, as applicable, the German Federal Data Protection Act (Bundesdatenschutzgesetz — BDSG)).

Data subjects are afforded a range of rights, and organizations have corresponding obligations — such as proactive transparency and the duty to provide information. These rights include, among others, access, rectification, erasure in certain circumstances, and data portability. In addition, individuals may have the right to restrict or object to certain types of processing, including processing for direct marketing purposes, and the right not to be subject to decisions based solely on automated processing, including profiling, which produces legal effects concerning them or similarly significantly affects them.

Organizations are required to maintain records of processing activities that specify, for example, the purposes of processing, categories of personal data, and categories of recipients. Where processing is outsourced to a service provider acting as a processor, a data processing agreement must be in place to ensure appropriate technical and organizational measures and compliance with GDPR requirements. Controllers must also ensure that processors do not engage sub-processors without prior written authorization and that any sub-processing is subject to equivalent contractual safeguards.

E. HONG KONG LAWS AND REGULATIONS

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

Laws and Regulations Relating to the Sale of Goods

In Hong Kong, laws and regulations on the sale of goods are provided in legislation as well as common law. Civil liability in relation to product liability claims under the sale of goods arises under the law of contract and the law of negligence.

Contracts for the sale of goods in Hong Kong are mainly governed by the Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong). In relation to consumer transactions, certain terms are implied into sale contracts to strengthen protection to consumers. These include the implied undertaking that the goods are of merchantable quality, requiring that the goods should be fit for the purpose(s) for which goods of that kind are commonly bought, of such standard of appearance and finish, free from defects (including minor defects), safe, and durable as reasonably expected having regard to the relevant circumstances.

Retailers in Hong Kong also owe a duty of care to consumers and may be liable for damage resulting from defects in goods caused by their negligent acts or for any fraudulent misrepresentation made in the sale of goods. Liability may arise if a retailer disregards the instructions of the manufacturers or suppliers in handling relevant goods or fails to pass on to the buyers instructions for use and warnings received from such manufacturers or suppliers. If a retailer knows or reasonably believes that the goods may be defective or dangerous, it may have to cease to supply such goods and take basic precautions such as warning the buyers and informing the relevant manufacturers or suppliers.

Laws and Regulations Relating to Taxation

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "IRO") is an ordinance for the purposes of imposing taxes on property, earnings, and profit in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees, and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profit (excluding profit arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession, or business.

Under the IRO, a two-tiered profit tax rates regime. Under the two-tiered profit tax rates regime, the first HK$2 million of profit of the qualifying group entity will be taxed at 8.25%, and profit above HK$2 million will be taxed at 16.5%. The profit of group entity not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5%.

In relation to (i) any tax computation containing incorrect information (the "Incorrect Information"); and (ii) the filing of tax return containing the Incorrect Information, a person may be subject to the prosecutions under section 80(2) or 82(1) of the IRO:

(a) Any person who without reasonable excuse files an incorrect return commits an offense under section 80(2) of the IRO and is liable on conviction to a fine at level 3 (i.e. HK$10,000) and a further fine of treble the amount of tax which has been undercharged as a result of the incorrect return, statement or information, or would have been so undercharged if the return, statement or information had been accepted as correct.

(b) Any person who wilfully with intent to evade or to assist any other person to evade tax omits from a return any sum which should be included commits an offense under section 82(1) of the IRO is liable:

(i) on summary conviction to a fine at level 3 (i.e. HK$10,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offense or which would have been undercharged if the offense has not been detected and imprisonment for 6 months; and

(ii) on indictment to a fine at level 5 (i.e. HK$50,000), a further fine of treble the amount of tax which has been undercharged in consequence of the offense or which would have been undercharged if the offense has not been detected and imprisonment for 3 years.

Laws and Regulations Relating to Transfer Pricing

In December 2009, the IRD released Departmental Interpretation and Practice Notes No. 46 ("DIPN 46"). DIPN 46 provides clarifications and guidance on the IRD's views on transfer pricing and how it intends to apply the existing provisions of the IRO to establish whether related parties are transacting at arm's length prices. In general, the practices followed by the IRD are based on the transfer pricing methodologies recommended by the OECD Transfer Pricing Guidelines.

In April 2009, the IRD released Departmental Interpretation and Practice Notes No. 45 ("DIPN 45"). DIPN 45 provides that where double taxation arises as a result of transfer pricing adjustments made by the tax authorities of another country, a Hong Kong taxpayer may potentially claim relief under the treaty between Hong Kong and that country (countries that entered into tax arrangements with Hong Kong include the PRC).

Furthermore, the Hong Kong Government has gazetted the Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the "Amendment Ordinance") on July 13, 2018. The main objectives of the Amendment Ordinance are to codify the transfer pricing principles and implement certain measures under the Base Erosion and Profit Shifting ("BEPS") package promulgated by the Organization for Economic Co-operation and Development, such as the transfer pricing documentation requirements. The BEPS package seeks to counter the exploitation of gaps and mismatches in tax rules by multinational enterprises to artificially shift profit to low or no-tax locations where there are little or no economic activity.

Section 50AAF of the IRO now codifies the arm's-length principle and allows for an adjustment of a taxpayer's profit upwards/losses downwards if the taxpayer has entered into transaction(s) with an associated person, and the pricing of such transaction(s) differs from that between independent persons and has created a Hong Kong tax advantage. Section 82A of the IRO stipulates that a person is liable to be assessed for penalties to additional tax of the amount of tax undercharged resulting from transfer pricing adjustments, unless it is proved that reasonable efforts have been made to determine the arm's length price for the transaction(s).

OVERVIEW

Our history can be traced back to 2015, when Woan Technology, a subsidiary of our Company, was established in January 2015 by Mr. Li and Mr. Pan, our co-founders.

Mr. Li and Mr. Pan were schoolmates at Harbin Institute of Technology (哈爾濱工業大學). They are enthusiasts in design and development of innovative robotic devices and have participated in university innovative design competitions during their academic years, including the ADI "Future Innovators" University Design Competition in 2009 and had won the 1st prize. Together with Mr. Lin Haizhou (林海洲), Mr. Liu Guohui (劉國輝) and Mr. Liu Yanfei (劉延飛), who were also Mr. Li and Mr. Pan's schoolmates of the same cohort from Harbin Institute of Technology (哈爾濱工業大學), they become the founding management of Woan Technology.

In 2017, SwitchBot Bot, our first product marketed under "SwitchBot" brand, was launched through a crowdfunding campaign, paving the way for "SwitchBot" to become a global provider of home robotic systems dedicated to building an ecosystem centered around smart home robotic products.

As a restructuring step in anticipation of Series Pre-A Financing, our Company was established on October 18, 2018 by Mr. Li, Mr. Pan, Wonder Innovation ESOP and the then Pre-IPO Investors, and Woan Technology was restructured to become a wholly-owned subsidiary of our Company. On April 25, 2025 our Company was converted into a joint stock limited company under the PRC Company Law as Switchbot (Shenzhen) Co., Ltd. (臥安機器人(深圳)股份有限公司), thereby becoming our Company. On October 31, 2025, our Company has renamed our English corporate name as OneRobotics (Shenzhen) Co., Ltd. (臥安機器人(深圳)股份有限公司).

As of the Latest Practicable Date, Mr. Li controlled approximately 44.53% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (1) 21.82% beneficially owned by him directly; (2) 8.24% beneficially owned by Wonder Innovation ESOP, an employee share ownership platform controlled by Mr. Li as the general partner; and (3) 14.47% beneficially owned by Mr. Pan, in respect of which Mr. Li has the right to direct voting and other shareholder actions of Mr. Pan pursuant to the terms of the Acting-in-concert Agreement, whereby Mr. Pan agreed to act in concert with Mr. Li in relation to all matters requiring the exercise of shareholder rights and director rights in our Company (where applicable). Upon the Listing and pursuant to the issuance of new Shares under the Global Offering, Mr. Li will control approximately 40.07% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (i) 19.64% beneficially owned by Mr. Li directly; (ii) 7.41% beneficially owned by Wonder Innovation ESOP; and (iii) 13.02% beneficially owned by Mr. Pan, assuming the Over-allotment Option is not exercised. Therefore, Mr. Li, Mr. Pan and Wonder Innovation ESOP are the Controlling Shareholder Group as of the Latest Practicable Date and upon the Listing.

BUSINESS MILESTONES

The following table sets forth the key milestones in our Group:

Year		Milestone Events
2015	—	Woan Technology was established
2017	—	We had launched finger robot and our first product under "SwitchBot" brand
2018	—	Our Company was established and Woan Technology was reorganized to become our subsidiary
2019	—	We had commenced sales under Vendor Central program with Amazon
2020	—	We had launched curtain robot and received multiple industry awards, including International Design Excellence Awards from Industrial Designers Society of America
2021	—	We had launched lock robot
2022	—	SwitchBot JP had been awarded the Grand Prize Best Partner Award by Amazon
	—	We had been commissioned by Guangdong Science and Technology Department (廣東省科學技術廳) to establish the Guangdong Intelligent Networking Home Control Engineering Technology Research Center (廣東省智慧網路家居控制工程技術研究中心)
	—	Our SwitchBot App had surpassed 1,000,000 cumulative registered users for the first time. The cumulative number of devices connected via our SwitchBot App has exceeded 3,000,000
2023	—	We had launched SwitchBot K10+, a household robot and the world's smallest laser vacuum robot in terms of diameter, which became one of the best selling smart vacuum cleaner robot on Amazon Japan
	—	We had launched SwitchBot S10, an enhanced mobile robot, which ranked first in total crowdfunding amount among cleaning robot products on Kickstarter in 2023
	—	We have been recognized by China National Intellectual Property Administration (國家知識產權局) as a National Intellectual Property Advantage Enterprise in the PRC (國家知識產權優勢企業)

Year		Milestone Events
	—	We had been recognized as a National Specialty and New Little Giant Enterprise (國家專精特新小巨人企業)
2024	—	We had been recognized as a National Key Specialized and Sophisticated "Little Giant" Enterprises (國家專精特新重點「小巨人」企業)
2025	—	Our SwitchBot App had surpassed 3,500,000 cumulative registered users and 10,700,000 cumulatively connected devices
	—	We had launched SwitchBot AI Hub, a smart home hub integrating large language models with edge computing
	—	We have launched Acemate, an AI tennis robot to replicate human-like rallies. Acemate was selected into TIME Magazine's Best Inventions of 2025 List, being the only global representative in sports robotics among the list.
	—	We have launched AI companion robot at IFA Berlin in September 2025 and had received two IFA Innovation awards, namely winner of "Best in IFA Next" and "Best in Emerging Tech", respectively

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment of Woan Technology and Early Development

Woan Technology was established under the laws of the PRC as a limited liability company on January 22, 2015. The initial registered capital of Woan Technology was RMB1 million. The equity interest of Woan Technology was owned as to 33% by Mr. Li; 34% by Mr. Pan, and the remaining equity interest by Mr. Tian Jun (田軍) ("**Mr. Tian**"), the former general manager of Woan Technology. In April 2017, in order to devote more time in other personal endeavour, Mr. Tian transferred his entire registered capital in Woan Technology to each of Mr. Li and Mr. Pan, respectively at nominal consideration, after which, he ceased to become a shareholder and general manager of Woan Technology. Subsequent to the transfer, the equity interest of Woan Technology was owned as to 60% by Mr. Li and 40% by Mr. Pan.

(2) Establishment of Wonder Innovation ESOP and subscription of the registered capital of Woan Technology

In May 2017, Wonder Innovation ESOP was established as our employee share ownership platform in the PRC to incentivize them to further promote our development. Wonder Innovation ESOP had subscribed for new registered capital of Woan Technology in the total amount of RMB138,886, and Mr. Li and Mr. Pan had in aggregate transferred equity interest in the total amount of registered capital of Woan Technology of RMB69,447 in September 2018 at nominal consideration. See "Employee Share Ownership Platform" below for further details of the employee share ownership platform.

(3) Series Angel Financing in October 2017

In October 2017, Changxing Qifu Honglian Investment Management Partnership (Limited Partnership) (長興啟賦宏聯投資管理合夥企業(有限合夥)) (now known as Changxing Qifu Honglian Venture Capital Fund Partnership (Limited Partnership) (長興啟賦宏聯創業投資基金合夥企業(有限合夥)) ("Changxing Qifu LP"), a China-based private equity and venture capital fund, and Shenzhen Langke Investment Co., Ltd. (深圳市朗科投資有限公司) ("Shenzhen Langke Investment") had entered into a capital increase agreement with Mr. Li, Mr. Pan and Woan Technology to subscribe for new registered capital of Woan Technology in the total amount of RMB250,000, at the total consideration of RMB4 million, thereby becoming our first Pre-IPO Investors. For further details of the Series Angel Financing and investors from Series Angel Financing, please see "— Pre-IPO Investments".

(4) Establishment of Our Company in October 2018 and Series Pre-A Financing in December 2018

On October 18, 2018, in anticipation for Series Pre-A Financing, our Company, which was then known as Woan Technology (Dongguan) Co., Ltd. (臥安科技(東莞)有限公司), was established by the then holders of equity interest of Woan Technology (namely Mr. Li, Mr. Pan, Wonder Innovation ESOP, Changxing Qifu LP and Shenzhen Langke Investment), and Ms. Wu Xi (吳曦) ("Ms. Wu") and Songshan Lake Robot Institute, participants of Series Pre-A Financing, with an initial registered capital of RMB1,587,298.

In December 2018, Woan Technology was reorganized to become a wholly-owned subsidiary of our Company, with Mr. Li, Mr. Pan and Wonder Innovation ESOP having transferred their respective equity interest in Woan Technology to our Company at nominal consideration, and with Changxing Qifu LP and Shenzhen Langke Investment having transferred their respective equity interest in Woan Technology at the consideration of RMB2.5 million and RMB1.5 million paid by our Company, which was then repaid to our Company to pay up their respective registered capital in our Company, after which, Woan Technology was reorganized to become a wholly-owned subsidiary of our Company, after which, our Company had completed Series Pre-A Financing with Ms. Wu and Songshan Lake Robot Institute, at the total consideration of RMB5 million. Immediately following the completion of the Series Pre-A Financing, the registered capital of our Company was RMB1,587,298.

For further details of Series Pre-A Financing and the background of investors from Series Pre-A Financing, please see "— Pre-IPO Investments".

(5) Series A Financing in July 2020

In July 2020, we had completed Series A Financing with Yinghu Intelligent, Dongguan Yunhe, Tianjin Yuntai Innovation Technology Limited Partnership (天津雲泰創新技術合夥企業(有限合夥)) ("Tianjin Yuntai LP"), and Ms. Wu and Songshan Lake Robot Institute, our existing shareholders, at the total consideration of RMB12 million. Immediately following the completion of the Series A Financing, the registered capital of our Company was increased to RMB1,867,409. For further details of Series A Financing and the background of investors from Series A Financing, please see "— Pre-IPO Investments".

(6) Series A+ Financing in February 2021

In February 2021, we had completed Series A+ Financing with Ventech China Asia SICAR ("Ventech"), Nanjing Qingke Letai Venture Capital Partnership (Limited Partnership) (南京清科樂鈦創業投資合夥企業(有限合夥)) ("Nanjing Qingke Letai LP") and Suzhou Yuanming Venture Capital Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥)) ("Suzhou Yuanming VC LP"), at the total consideration of approximately RMB35.0 million. Immediately following the completion of the Series A+ Financing, the registered capital of our Company was increased to RMB2,046,476. For further details of Series A+ Financing and the background of investors from Series A+ Financing, please see "— Pre-IPO Investments".

(7) Equity Transfers in May 2021 ("Early 2021 Equity Transfers") and Capital Increase in May 2021 ("Early 2021 Capital Increase")

In May 2021, Suzhou Yuanming VC LP had further acquired equity interest of our Company from Changxing Qifu LP and Shenzhen Langke Investment, in the registered capital of RMB61,394 and RMB40,930 for the considerations of RMB12 million and RMB8 million, respectively.

In May 2021, Shanghai Gaoling Chenjun Equity Investment Partnership (L.P.) (上海高瓴辰鈞股權投資合夥企業(有限合夥)) ("Shanghai Chenjun") had subscribed for new registered capital of our Company in the amount of RMB63,293, at the consideration of RMB13.61 million. For further details of Early 2021 Equity Transfers, the Early 2021 Capital Increase and the background of Shanghai Chenjun, please see "— Pre-IPO Investments".

(8) Series B Financing in November 2021

In November 2021, our Company had completed Series B Financing with Shanghai Chenjun, Suzhou Yuanming VC LP, Tianjin Yuntai LP, Yinghu Intelligent, Dongguan Yunhe, Ms. Wu and Ventech, respectively, at the total consideration of approximately RMB61.02 million. For further details of Series B Financing, please see "— Pre-IPO Investments".

(9) Series B+ Financing in March 2022

In March 2022, our Company had completed Series B+ Financing with Shenzhen Fortune Chuanghong Private Equity Investment Enterprise (Limited Partnership) (深圳市達晨創鴻私募股權投資企業(有限合夥)) ("Shenzhen Fortune PE LP"), Shenzhen Fortune Capital Venture Capital Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司) ("Shenzhen Fortune Capital VC"), Guotiao Innovation Private Equity Investment Fund (Nanchang) Enterprise (Limited Partnership) (國調創新私募股權投資基金(南昌)合夥企業(有限合夥)) ("Guotiao Innovation PE Fund LP") and Zhuhai Ansheng Investment Center (Limited Partnership) (珠海安勝投資中心(有限合夥)) ("Zhuhai Ansheng Investment LP"), at the consideration of RMB200 million. Immediately following the completion of the Series B+ Financing, the registered capital of our Company was increased to RMB2,492,175. For further details of Series B+ Financing and the background of investors from Series B+ Financing, please see "— Pre-IPO Investments".

(10) Equity Transfer in December 2023 ("Dachen Internal Transfer")

In December 2023, Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership) (深圳市財智創贏私募股權投資企業(有限合夥)) ("Shenzhen Caizhi PE LP") had acquired equity interest of our Company from Shenzhen Fortune Capital VC in the registered capital of RMB2,354 at the consideration of RMB1.7 million. For further details of Dachen Internal Transfer and the background of Shenzhen Caizhi PE LP, please see "— Pre-IPO Investments".

(11) Equity Transfers in March 2025 ("Sensethink Acquisition")

In March 2025, Sensethink (BVI) Limited ("Sensethink") had acquired the entire equity interest of our Company held by Ms. Wu and Changxing Qifu LP in the registered capital of RMB101,103 and RMB94,856 at the consideration of approximately RMB24.3 million and approximately RMB22.8 million (in USD equivalent), respectively. Immediately after the Sensethink Acquisition, Ms. Wu and Changxing Qifu LP had ceased to be the shareholders of our Company.

Sensethink is a company incorporated under the laws of the British Virgin Islands with limited liability which principally engages in investment holding. The entire issued share capital of Sensethink is owned by Mr. Kwong U Hoi Andrew (鄺宇開) ("Mr. Kwong"). Mr. Kwong is also one of the ultimate controller of Brizan Ventures V with Professor Ko, a participant of Series C Financing.

(12) Conversion into a Joint Stock Company

In April 2025, resolutions were passed by our then Shareholders, being our promoters at our shareholders' meeting approving, among other matters, (i) the conversion of our Company from a limited liability company into a joint stock limited company under the laws of the PRC, and (ii) the adoption of Switchbot (Shenzhen) Co., Ltd. (臥安機器人(深圳)股份有限公司) as our corporate name.

Upon completion of the conversion, the registered capital of our Company became RMB2,492,175 divided into 2,492,175 Shares with a nominal value of RMB1.00 each, which were subscribed by all our then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on April 25, 2025.

(13) Share Transfer in April 2025 ("Shenzhen Wanshan Acquisition")

On April 30, 2025, Shenzhen Langke Wanshan Enterprise Management Partnership (Limited Partnership) (深圳市朗科萬山企業管理合夥企業(有限合夥)) ("Shenzhen Wanshan LP") entered into a share transfer agreement with Shenzhen Langke Investment, pursuant to which Shenzhen Wanshan LP acquired 24,922 Shares at the consideration of RMB10 million. For further details of Shenzhen Wanshan Acquisition and the background of Shenzhen Wanshan LP, please see "— Pre-IPO Investments".

(14) Investments by Brizan Ventures V

In May 2025, Brizan Ventures V, a limited partnership controlled by Professor Ko and Mr. Kwong, had become our Pre-IPO Investors by engaging in the following transactions with our existing Shareholders and our Company:

(1) On May 21, 2025, Brizan Ventures V had acquired 195,959 Shares from Sensethink, representing the entire shareholding interest of our Company held by Sensethink at the consideration of approximately RMB47.20 million, being the same as that for Sensethink Acquisition. Upon completion of the transfer, Sensethink had ceased to be our Shareholder ("Brizan Internal Transfer");

(2) On May 26, 2025, Brizan Ventures V had entered into an investment agreement with our Company, members of our Group and each of the members of our Controlling Shareholder Group ("Brizan Investment Agreement"), pursuant to the terms of which, Brizan Ventures V had agreed to:

    (i) acquire 6,250 Shares and 6,250 Shares from Mr. Li and Mr. Pan at the consideration of RMB10 million and RMB10 million respectively ("Brizan Acquisition"); and

    (ii) subscribe for 37,500 Shares of our Company at the consideration of RMB60.0 million (in USD equivalent) (the "Series C Financing"), together with Brizan Acquisition, the "Brizan Investments").

On June 3, 2025, the registered capital of our Company had been increased by RMB37,500 to RMB2,529,675 and Brizan Ventures V had become interested in 245,959 Shares, comprising approximately 9.72% of the total issued share capital of our Company.

For further details of the Brizan Internal Transfer, Brizan Acquisition, Series C Financing, and the background of Brizan Ventures V, please see "— Pre-IPO Investments" in this prospectus.

(15) Capital Increase through conversion from capital reserve and Share Subdivision

On May 27, 2025, resolutions were passed by our Shareholders approving, among others, (i) issuance of 17,470,325 new Shares through conversion from capital reserve of RMB17,470,325 to each of our Shareholders in proportion to their respective shareholding interests, to the effect that the registered capital of our Company had been increased to RMB20,000,000 divided into 20,000,000 Shares with a nominal value of RMB1.00 each; and (ii) the Share Subdivision, whereby each of our Shares with a nominal value of RMB1.00 each shall be sub-divided into 10 Shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the Listing, upon which the registered capital of our Company shall be divided into 200,000,000 Shares with a nominal value of RMB0.10 per Share, all of which shall be held by our existing Shareholders as of the Latest Practicable Date in proportion to their respective shareholding interests in our Company.

Immediately after completion of the Brizan Investments and assuming the Share Subdivision had taken place, the shareholding structure of our Company shall be as follows:

Shareholders	Number of Shares	Percentage of Shareholding %
The Controlling Shareholder Group		
Mr. Li	43,648,450	21.82
Mr. Pan	28,934,230	14.47
Wonder Innovation ESOP	16,471,130	8.24
Sub-total	**89,053,810**	**44.53**
Other Shareholders		
Songshan Lake Robot Institute *(Note 1)*	13,610,600	6.81
Yinghu Intelligent *(Note 1)*	8,431,680	4.22
Dongguan Yunhe *(Note 1)*	3,909,910	1.95
Brizan Ventures V *(Note 2)*	19,445,900	9.72
Suzhou Yuanming VC LP	16,616,680	8.31
Shenzhen Fortune PE LP	8,757,090	4.38
Shenzhen Fortune Capital VC	2,003,180	1.00
Shenzhen Caizhi PE LP	186,110	0.09
Shanghai Chenjun	8,757,090	4.38
Ventech	4,247,190	2.12
Nanjing Qingke Letai LP	4,044,950	2.02
Guotiao Innovation PE Fund LP	7,662,490	3.83
Tianjin Yuntai LP	5,813,390	2.91
Zhuhai Ansheng Investment LP	3,283,900	1.64
Shenzhen Langke Investment	2,205,660	1.10
Shenzhen Wanshan LP	1,970,370	0.99
Total	**200,000,000**	**100**

Notes:

1. Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe are entities ultimately controlled by Professor Li, our non-executive Director.

2. Brizan Ventures V is an entity ultimately controlled by Professor Ko, our non-executive Director, together with Mr. Kwong.

PRC LEGAL ADVISOR'S CONFIRMATION

As advised by our PRC Legal Advisor, our Company has obtained all other necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of SAMR in respect of the transfers, capital increases and issuance of Shares set out above in material aspects, and such transfers, capital increases and issuance of Shares were conducted in compliance with the applicable PRC laws and regulations in all material aspects. In respect of the Brizan Investments, our PRC Legal Advisers are of the view that there is no legal impediment to obtain or made such necessary approvals or filings.

OUR PRINCIPAL SUBSIDIARIES

The following table sets forth certain information of each of our principal subsidiaries as of the Latest Practicable Date.

No.	Company	Total Amount of Registered Capital/Share Capital	Principal Business Activities	Shareholding Controlled by Our Company	Date and Jurisdiction of Establishment/ Incorporation
1.	Woan Technology	RMB320,000,000	Research, production and sales of home robotic system products and offering of related services	100%	January 22, 2015, the PRC
2.	Woan HK	HK$200,000	Sales of home robotic system products and offering of related services	100%	May 4, 2020, Hong Kong, the PRC
3.	SwitchBot JP	JPY5,000,000	Sales of home robotic system products and offering of related services	100%	September 24, 2020, Japan
4.	Wonderlabs HK	HK$10,000	Sales of home robotic system products and offering of related services	100%	March 16, 2018, Hong Kong, the PRC
5.	SwitchBot US	US$4,000	Sales of home robotic system products and offering of related services	100%	October 11, 2021, Delaware, the United States

ACQUISITION, MERGER AND DISPOSAL

During the Track Record Period and up to the Latest Practicable Date, the Company had not carried out any major acquisitions, disposals or mergers involving shares or equity interests in any entities.

PRE-IPO INVESTMENTS

Principal Terms of the Pre-IPO Investments

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of Pre-IPO Investments since the establishment of Woan Technology and our Company. The table below summarizes the principal terms of the Pre-IPO Investments through contribution to new registered capital or acquisition of existing equity interest or Shares:

No.	Rounds of Pre-IPO Investment	Amount of Registered Capital Subscribed for or acquired *(RMB)* *(Note 1)*	Amount of Consideration Involved *(RMB)* *(approximate)* *(Note 2)*	Post-money Valuation *(RMB)* *(approximate)* *(Note 3)*	Date of Agreements	Date of Payment in Full	Consideration Cost per Share *(HK$)* *(approximation)* *(Note 4)*	Discount to the Offer Price *(approximation)* *(Note 5)*
1.	Series Angel Financing	250,000	4 million *(Note 6)*	20 million	October 17, 2017	November 14, 2017	0.22	99.70%
2.	Series Pre-A Financing	198,412	5 million *(Note 7)*	40 million	December 5, 2018	January 2, 2019	0.34	99.52%
3.	Series A Financing	280,111	12 million *(Note 8)*	80 million	January 8, 2020	April 8, 2020	0.58	99.19%
4.	Series A+ Financing	179,067	35.0 million *(Note 9)*	400 million *(Note 13)*	December 24, 2020	September 14, 2021	2.66	96.30%
5.	Early 2021 Equity Transfers	102,324	20 million	N/A	March 22, 2021	March 24, 2021	2.66	96.30%
6.	Early 2021 Capital Increase	63,293	13.61 million	454 million	April 16, 2021	May 12, 2021	2.93	95.93%
7.	Series B Financing	105,498	61.02 million *(Note 10)*	1,281.3 million *(Note 14)*	November 12, 2021	December 31, 2021	7.88	89.05%
8.	Series B+ Financing	276,908	200 million *(Note 11)*	1,800 million *(Note 15)*	March 23, 2022	April 12, 2022	9.84	86.33%
9.	Dachen Internal Transfer	2,354	1.7 million	N/A	December 19, 2023	December 27, 2023	9.84	86.33%
10.	Sensethink Acquisition	195,959	47.10 million *(Note 12)*	N/A	March 21, 2025	May 21, 2025	3.28 *(Note 17)*	95.45%
11.	Shenzhen Wanshan Acquisition	24,922	10 million	N/A	April 30, 2025	May 1, 2025	5.47 *(Note 18)*	92.41%
12.	Brizan Internal Transfer	195,959	47.10 million *(Note 12)*	N/A	May 21, 2025	May 21, 2025	3.28 *(Note 19)*	95.45%
13.	Brizan Acquisition	12,500	20 million	N/A	May 26, 2025	July 2, 2025	21.80	69.72%
14.	Series C Financing	37,500	60 million	4,047.5 million *(Note 16)*	May 26, 2025	June 30, 2025	21.80	69.72%

Notes:

1. Except for Series Angel Financing, which referred to the registered capital of Woan Technology, the amount of register capital subscribed for or acquired as shown in the table refers to the amount of registered capital of our Company immediately before the capital increase through conversion from capital reserve and the Share Subdivision as resolved in May 2025.

2. The consideration for the various Pre-IPO investments by way of capital increases was determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration various factors including but not limited to, the timing of the investments, the market value, and the prospects of our business.

3. The post-money valuation is calculated by dividing the total consideration of equity or Share subscriptions under the relevant round of the Pre-IPO Investment by the percentage of the new subscribed equity interest in the total registered capital of our Company or shareholding interests of our Company at the relevant time.

4. The cost per Share presented in the table is arrived at by dividing the total consideration involved in respect of the relevant rounds of financings with the total number of Shares to be converted from the registered capital held by the respective investors, and is further adjusted by (i) the capitalisation of RMB17,470,325 from the capital reserve to increase the registered capital to RMB20,000,000, which are distributed to our existing Shareholders in proportion to their respective shareholding interests, and (ii) assuming that the Share Subdivision on the basis of 10 Shares for every one share of registered capital, has taken effect. For the purpose of the table, the consideration amounts originally denominated in RMB have been converted into Hong Kong dollars using the applicable exchange rate at the time of the respective transactions, and the resulting cost per Share is presented in HKD.

5. The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK$72.00 per H Share, being the mid-point of the indicative Offer Price range of HK$63.00 to HK$81.00 per H Share, and that the Over-allotment Option is not exercised.

6. (1) Changxing Qifu LP had subscribed for new registered capital of Woan Technology in the amount of RMB156,250 for the consideration of RMB2.5 million; and

   (2) Shenzhen Langke Investment had subscribed for new registered capital of Woan Technology in the amount of RMB93,750 for the consideration of RMB1.5 million.

7. Pursuant to the terms of the investment agreement in respect of Series Pre-A Financing, Songshan Lake Robot Institute and Ms. Wu had subscribed for the registered capital of our Company at the consideration of RMB3.75 million and RMB1.25 million, respectively.

8. (1) Yinghu Intelligent had paid RMB4 million as consideration for new registered capital of our Company in the amount of RMB93,370.

   (2) Dongguan Yunhe had paid RMB2 million as consideration for new registered capital of our Company in the amount of RMB46,685.

   (3) Songshan Lake Robot Institute had paid RMB1 million as consideration for new registered capital of our Company in the amount of RMB23,343.

   (4) Ms. Wu had paid RMB2 million as consideration for new registered capital of our Company in the amount of RMB46,685.

(5) Tianjin Yuntai LP had paid RMB3 million as consideration for new registered capital of our Company in the amount of RMB70,028.

9. (1) Ventech had subscribed for new registered capital of our Company in the amount of RMB51,162 for the consideration of USD1,529,964.35;

(2) Nanjing Qingke Letai LP had subscribed for new registered capital of our Company in the amount of RMB51,162 for the consideration of RMB10 million; and

(3) Suzhou Yuanming VC LP had subscribed for new registered capital of our Company in the amount of RMB76,743 for the consideration of RMB15 million.

10. (1) Shanghai Chenjun had subscribed for new registered capital of our Company in the amount of RMB47,470 for the consideration of RMB27,456,427.

(2) Suzhou Yuanming VC LP had subscribed for new registered capital of our Company in the amount of RMB31,107 for the consideration of RMB17,992,143.

(3) Tianjin Yuntai LP had subscribed for new registered capital of our Company in the amount of RMB3,502 for the consideration of RMB2,025,543.

(4) Yinghu Intelligent had subscribed for new registered capital of our Company in the amount of RMB13,277 for the consideration of RMB7,679,356.

(5) Dongguan Yunhe had subscribed for new registered capital of our Company in the amount of RMB2,769 for the consideration of RMB1,601,625.

(6) Ms. Wu had subscribed for new registered capital of our Company in the amount of RMB4,815 for the consideration of RMB2,784,976.

(7) Ventech subscribed for new registered capital of our Company in the amount of RMB2,558 for the consideration of USD230,943.

11. (1) Shenzhen Fortune PE LP had subscribed for new registered capital of our Company in the amount of RMB110,763 for the consideration of RMB80 million.

(2) Shenzhen Fortune Capital VC had subscribed for new registered capital of our Company in the amount of RMB27,691 for the consideration of RMB20 million.

(3) Guotiao Innovation PE Fund LP had subscribed for new registered capital of our Company in the amount of RMB96,918 for the consideration of RMB70 million.

(4) Zhuhai Ansheng Investment LP had subscribed for new registered capital of our Company in the amount of RMB41,536 for the consideration of RMB30 million.

12. The amount of consideration in respect of Sensethink Internal Transfer was the same as that for Sensethink Acquisition as the Sensethink Internal Transfer was an internal restructuring of investment between Sensethink and Brizan Ventures V.

13. The valuation of our Company for Series A+ Financing increased comparing to that of Series A Financing because of our successful launch of our curtain robot, which gained strong market traction and significantly enhanced our brand recognition and revenue growth.

14. The valuation of our Company for the Series B Financing increased compared to that of the Early 2021 Capital Increase, primarily due to the successful launch of our lock robots, our Company's rapid sales growth during the period and a significant increase in our market share in Japan, our key market. The favourable stock market sentiment in the PRC at the time also contributed to heightened investor interest in the smart hardware and home automation sectors.

15. The valuation of our Company for Series B+ Financing increased comparing to that of Series B Financing because our flagship products including curtain robots, lock robots and smart hubs had recorded substantial growth in sales volume, reflecting strong market demand and user adoption.

16. The valuation of our Company for the Series C Financing increased compared to that of the Series B+ Financing due to: (1) the continued commercial success of our flagship robots, which maintained strong market momentum and user adoption following their award-winning launches; (2) the growing sales performance of our products and expanding user adoption across global markets; and (3) the growing application of large-scale AI models and related technologies, which had created new opportunities for our business in enhancing product capabilities, improving user experiences, and driving intelligent automation in the smart home sector.

17. Based on the understanding of our Directors, the consideration in respect of Sensethink Acquisition was determined having taken into account the commercial negotiations between the parties, the early-stage nature of the shares being transferred and the liquidity preferences of the selling shareholders.

18. Based on the understanding of our Directors, the consideration in respect of Shenzhen Wanshan Acquisition was determined having taken into account the commercial negotiations between the parties, the early-stage nature of the shares being transferred and the liquidity preferences of the selling shareholders.

19. Based on the understanding of our Directors, the consideration was determined having taken into account the nature of investment restructuring, and thus the transfer was executed at the same cost per Share as the Sensethink Acquisition for administrative and internal reorganization purposes.

Use of Proceeds from the Pre-IPO Investments

As of the Latest Practicable Date, save for proceeds from Series C Financing, all other proceeds received by us from the Pre-IPO Investments which involved subscriptions of increased registered capital of our Company had been utilized. We utilized the proceeds from the 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, capital expenditures for factory equipment, and general working capital purposes.

Strategic Benefits from Pre-IPO Investments

At the time of the Pre-IPO Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-IPO Investors' investments in our Group, insights for industry, network and connections of our high profile and reputable Pre-IPO Investors, advice on business expansion and strategic direction, upstream and downstream resources that the Pre-IPO Investors bring to our Company, and the knowledge, production capacity and experience of the Pre-IPO Investors. Their investments also demonstrated their confidence in our Group's operations and served as an endorsement of our Group's performance, strengths and prospects.

Special Rights of the Pre-IPO Investors

Pursuant to the shareholders' agreement entered into between our Company, Mr. Li, Mr. Pan, Wonder Innovation ESOP and our Pre-IPO Investors, the Pre-IPO Investors had been granted certain special rights, including, among others, right of first refusal and co-sale, anti-dilution rights, redemption rights, drag-along rights, liquidation preferences, dividend right, and information rights, among which, the Pre-IPO Investors had been granted redemption right by the Company ("Company's Redemption Right") and by Mr. Li and Mr. Pan (the "CS Redemption Right") pursuant to the shareholders' agreement.

On May 26, 2025, our Company, Mr. Li, Mr. Pan and the Pre-IPO Investors had entered into a supplemental agreement to the shareholders' agreement (the "Supplemental Agreement"). As advised by our PRC Legal Advisers pursuant to the terms of the Supplemental Agreement: (1) the Company's Redemption Right had been terminated and had become void ab initio and deemed to have never had any legal effect (i.e. irrevocably unenforceable); (2) the CS Redemption Right had been suspended prior to the Listing Application and will be terminated immediately before the Listing Date; and (3) all other special rights, including right of first refusal and co-sale, anti-dilution rights, drag-along rights, liquidation preferences, dividend right, and information rights, shall be terminated before the Listing Date. Other than the Company's Redemption Rights, which had become void ab initio and deemed to have never had any legal effect, the CS Redemption Right, which was suspended prior to the Listing Application and will be terminated immediately before the Listing Date, and all other special rights, which were terminated prospectively, were not rendered void ab initio and will cease to apply before the Listing Date.

Prior to the execution of the Supplemental Agreement, only certain information rights, inspection rights and director nomination rights under the shareholders' agreement had been exercised by the Pre-IPO Investors. These rights were exercised in the ordinary course for governance and information purposes and did not result in any financial obligations, liabilities or other financial implications for the Company.

Throughout the Track Record Period, our Company had not recorded any redemption liabilities, be it arising from the Company's Redemption Rights or the CS Redemption Rights. Neither the Company's Redemption Right nor the CS Redemption Right had been enforced by any of the Pre-IPO Investors during the Track Record Period,

In respect of the Company's Redemption Right, as advised by our PRC Legal Advisers, under the PRC Civil Code (《中華人民共和國民法典》), the parties to a contract have the right to mutually rescind or terminate the agreement in whole or in part, and may, through express agreement, determine the effective scope and retroactive effect of such termination, provided that it does not contravene mandatory provisions of law. Where the parties expressly agree that certain rights or obligations shall be treated as irrevocably unenforceable ("自始無效"), such agreement is valid and legally binding between the parties and operates to extinguish the relevant contractual rights retrospectively as if they had never arisen. For details, see note 28 to the Accountants' Report set out in Appendix I to this prospectus.

In respect of the CS Redemption Right, the CS Redemption Right does not constitute any obligation of our Company. Furthermore, there had been no separate agreements or side letters entered into between either Mr. Li or Mr. Pan and the Pre-IPO Investors, without our Company being a party thereof. No guarantee had been provided by our Company in respect of the CS Redemption Right. Accordingly, no financial liability had been recorded by our Company in respect of the CS Redemption Right. For details, see note 35 to the Accountants' Report set out in Appendix I to this prospectus.

Lock-up Period

Pursuant to the applicable PRC law, all existing Shareholders (including the Pre-IPO Investors) are subject to the relevant PRC statutory transfer restriction for a period of one year from the Listing Date.

JOINT SPONSORS' CONFIRMATION

On the basis that (i) the respective consideration for the Pre-IPO Investments is expected to be settled no less than 120 clear days before the Listing Date, and (ii) no special rights of the Pre-IPO Investors will exist after the Listing, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the Chapter 4.2 of the Guide for New Listing Applicants.

Information regarding Our Pre-IPO Investors

Set out below is the description of our Pre-IPO Investors, which consist of reputable international and domestic private equity funds and strategic investment corporations. To the best of our Company's knowledge, save as otherwise disclosed in this subsection, all the Pre-IPO Investors are Independent Third Parties.

Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe

Songshan Lake Robot Institute is a limited liability company established under the laws of the PRC in February 2016 which principally engages in R&D and sales of robots and intelligent equipment and the provision of consultation, planning and related technical supporting services to incubated enterprises. As of the Latest Practicable Date, the equity interest of Songshan Lake Robot Institute is ultimately controlled as to 100% by Clear Water Bay Robotic Investment Limited Company, the shares of which is controlled as to 67.67% by Professor Li, our non-executive Director, as to 12.33% by Professor Ko, our non-executive Director, and as to 20% by Professor Gan Jie (甘潔), an Independent Third Party.

Yinghu Intelligent is a limited liability company established under the laws of the PRC in May 2018 which principally engages in the R&D of intelligent product, provision of technical consulting and technical services, and equity investment. As of the Latest Practicable Date, the equity interest of Yinghu Intelligent is ultimately controlled as to 100% by Clear Water Bay Startup Fund LP, a limited liability partnership with the general partner of which being Clear Water Bay Startup Fund GP. The shareholding interest of Clear Water Bay Startup Fund GP is in turn owned as to 57%, 23% and 20% by Professor Li, Professor Ko and Professor Gan Jie (甘潔), respectively.

Dongguan Yunhe is a limited liability company established under the laws of the PRC in December 2017 which principally engages in equity and venture capital investment. As of the Latest Practicable Date, Dongguan Yunhe is ultimately controlled by Clear Water Bay Startup Fund GP, the partnership interest of which is in turn held as to 57%, 23% and 20% by Professor Li, Professor Ko and Professor Gan Jie (甘潔), respectively.

As of the Latest Practicable Date, Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe held approximately 6.81%, 4.22% and 1.95% of the total issued share capital of our Company.

Brizan Ventures V

Brizan Ventures V is a limited liability partnership established under the laws of the Cayman Islands which principally engages in equity and venture capital investment. The general partner of Brizan Ventures V is Brizan Ventures GP V Limited ("Brizan Ventures GP V"), holding approximately 0.50% of the partnership interest therein. The shareholding interests of Brizan Ventures GP V are owned as to 50% by Professor Ko, our non-executive Director, and as to 50% by Mr. Kwong. Brizan Ventures V has four limited partners, with Professor Ko holding approximately 47.16% and Brizan Ventures II LP ("Brizan Ventures II") holding approximately 26.45% partnership interest therein, and with the remaining two limited partners being Independent Third Party holding less than one third of the partnership interest therein. Brizan Ventures II is a limited partnership established under the laws of Cayman Islands, with Brizan Ventures GP II Limited ("Brizan Ventures GP II") being the general partner. The shareholding interests of Brizan Ventures GP II is owned as to 50% by Professor Ko and as to 50% by Mr. Kwong. Brizan Ventures II has nine limited partners, with Professor Ko holding approximately 6.43% partnership interest therein, and none of the remaining limited partners hold more than one third of the partnership interest therein.

As of the Latest Practicable Date, Brizan Ventures V held approximately 9.72% of the total issued share capital of our Company.

Suzhou Yuanming VC LP

Suzhou Yuanming VC LP is a limited liability partnership established under the laws of the PRC in October 2019 which principally engages in venture capital investment. Its general and executive managing partner is Nanjing Yuanxin Management Consulting Co., Ltd. (南京源芯管理諮詢有限公司) ("Nanjing Yuanxin"), holding approximately 0.03% interest therein. Nanjing Yuanxin is a limited liability company established under the laws of the PRC, the equity interest of which is ultimately controlled by Mr. Cao Yi (曹毅) ("Mr. Cao"), the founder of Source Code Capital (源碼資本). As of the Latest Practicable Date, Suzhou Yuanming VC LP has three limited partners, with Nanjing Yuanling Equity Investment Partnership (Limited Partnership) (南京源嶺股權投資合夥企業(有限合夥)) ("Nanjing Yuanling LP") holding approximately 44.44% partnership interest and Beijing

Yuanwei Equity Investment Partnership (Limited Partnership) (北京源為股權投資合夥企業(有限合夥)) ("Beijing Yuanwei LP") holding approximately 39.43% partnership interest in Suzhou Yuanming VC LP. The general and executive managing partner of Nanjing Yuanling LP is Nanjing Yuanxin, which is controlled by Mr. Cao. Nanjing Yuanling LP has three limited partners, with Nanjing Yuanheng Equity Investment Management Limited Partnership (Limited Liability) (南京源恒股權投資管理合夥企業(有限合夥)) ("Nanjing Yuanheng") holding approximately 69.97% partnership interest therein and the remaining two limited partners holding no more than one-third of the partnership interest therein. Nanjing Yuanheng is a limited liability partnership established under the laws of the PRC. Its general and executive managing partner is Nanjing Yuanxin, which is controlled by Mr. Cao. Nanjing Yuanheng has 42 limited partners, none of which hold more than one third of the partnership interest therein. The general and executive managing partner of Beijing Yuanwei LP is Beijing Yuanxin Investment Management Co., Ltd. (北京源芯投資管理有限公司), a limited liability company established under the laws of the PRC, the equity interest of which is ultimately controlled by Mr. Cao. Beijing Yuanwei LP has eight limited partners, with Nanjing Yuanheng holding approximately 79.00% partnership interest therein and the remaining limited partners holding no more than one third of the partnership interest therein.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Suzhou Yuanming VC LP held approximately 8.31% of the total issued share capital of our Company.

Shenzhen Fortune Capital Investors (comprising Shenzhen Fortune PE LP, Shenzhen Fortune Capital VC and Shenzhen Caizhi PE LP)

Shenzhen Fortune Capital VC is a limited liability company established under the laws of the PRC in December 2008 and principally engages in venture capital investment, which is ultimately owned and controlled by Hunan TV and Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (000917.SZ).

Shenzhen Fortune PE LP is a limited liability partnership established under the laws of the PRC in August 2020 and principally engages in equity investment. Its general and executive managing partner is Shenzhen Fortune Capital VC, holding approximately 4.25% interest therein. As of the Latest Practicable Date, Shenzhen Fortune PE LP has 49 limited partners, none of which holds one-third or more of the interest therein.

Shenzhen Caizhi PE LP is a limited liability partnership established under the laws of the PRC in June 2020 and principally engages in equity investment. Its general and executive managing partner is Shenzhen Fortune Capital VC. As of the Latest Practicable Date, Shenzhen Caizhi PE LP has 30 limited partners, none of which holds one-third or more of the interest therein. Shenzhen Fortune Capital VC, being the general partner, holds approximately 0.18% partnership interest in Shenzhen Fortune PE LP.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Shenzhen Fortune Capital VC, Shenzhen Fortune PE LP and Shenzhen Caizhi PE LP held approximately 1.00%, 4.38% and 0.09% of the total issued share capital of our Company.

Shanghai Chenjun

Shanghai Chenjun is a limited liability partnership established under the laws of the PRC, its general partner is Shanghai Gao Ling Venture Investment Management Co., Ltd. (上海高瓴創業投資管理有限公司). Shanghai Chenjun is a private equity fund managed by Zhuhai Gao Ling Private Fund Management Co., Ltd. (珠海高瓴私募基金管理有限公司). Shanghai Chenjun has 22 limited partners, none of which holds one-third or more of the interest therein.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Shanghai Chenjun held approximately 4.38% of the total issued share capital of our Company.

Guotiao Innovation PE Fund LP

Guotiao Innovation PE Fund LP is a limited liability partnership established under the laws of the PRC in November 2021 and principally engages in private equity and venture capital investment in the PRC. Its general and executive managing partner is Guotiao Innovation (Beijing) Private Equity Fund Management Co., Ltd. (國調創新(北京)私募基金管理有限公司) ("Guotiao Innovation"), holding approximately 0.06% interest therein. Guotiao Innovation a limited liability company established under the laws of the PRC, the equity interest of which is owned as to 34%, 34% and 32% by Nanchang Merchants Industrial Investment Co., Ltd. (南昌招商產業投資有限公司) ("Nanchang Merchants"), Ningbo Meishan Bonded Port Area Jintianhe Investment Management Co., Ltd. (寧波梅山保稅港區錦甜河投資管理有限公司) ("Ningbo Jintianhe") and Nanchang New Century Venture Capital Co., Ltd. (南昌新世紀創業投資有限責任公司) ("Nanchang New Century VC"), respectively. Nanchang Merchants is ultimately controlled by Nanchang High-tech Industrial Development Zone Management Committee (南昌高新技術產業開發區管理委員會). Ningbo Jintianhe is a wholly-owned subsidiary of China State-owned Enterprise Structural Adjustment Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司), the controlling shareholder of which is China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司), which is controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). Nanchang New Century VC is a wholly-owned subsidiary of Nanchang Industrial Investment Group Co., Ltd. (南昌市產業投資集團有限公司), which is controlled by Nanchang Municipal People's Government (南昌市人民政府). Guotai Innovation PE Fund LP has two limited partners, with Jiangxi High Level Personnel Equity Investment Limited Partnership (江西高層次人才股權投資合夥企業(有限合夥)) ("Jiangxi High Level Personnel LP") holding approximately 99.31% of the partnership interest therein. Jiangxi High Level Personnel LP is a limited liability partnership established under the laws of the PRC, its general and executive managing partner is Jiangxi Innovation New Personnel Investment Management Limited Company (江西創新人才投資管理有限公司) ("Jiangxi

Innovation"). Jiangxi Innovation is a limited liability company established under the laws of the PRC, the equity interests of which is controlled as to 33% by China Guoxin Fund Management Co., Ltd. (中國國新基金管理有限公司) ("China Guoxin"), 34% by Taiping Guofa Hehe (Beijing) Investment Management Co., Ltd. (太平國發禾和(北京)投資管理有限公司) ("Taiping Guofa") and 33% by Ningbo Meishan Bonded Port Area Jintianhe Investment Management Co., Ltd. (寧波梅山保稅港區錦甜河投資管理有限公司) ("Ningbo Jintianhe Investment"). China Guoxin is a limited liability company established under the laws of the PRC, the equity interest of which is entirely controlled by the State Council of the PRC (中國國務院). Taiping Guofa is a limited liability company established under the laws of the PRC, the equity interest of which is owned as to approximately 34.43% by Hehe Zhongshuo (Beijing) Investment Consulting Co., Ltd. (禾和眾爍(北京)投資顧問有限公司), an entity controlled by Zhang Wenwen (章文雯), and each of the remaining shareholders owning less than 30% of the equity interests therein. Ningbo Jintianhe Investment is a limited liability company, the equity interest of which is ultimately controlled as to approximately 30.36% by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) and the remaining shareholders owning less than 30% of the equity interests therein.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Guotiao Innovation PE Fund LP held approximately 3.83% of the total issued share capital of our Company.

Tianjin Yuntai LP

Tianjin Yuntai LP is a limited liability partnership established under the laws of the PRC in May 2016 and principally engages in private equity investment. The general and executive managing partner of Tianjin Yuntai LP is Mr. Wang Xiaolu (王曉路), holding 0.01% interest therein. Tianjin Yuntai LP has 11 limited partners, none of which holds one-third or more of the interest therein.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Tianjin Yuntai LP held approximately 2.91% of the total issued share capital of our Company.

Ventech

Ventech is an investment company in risk capital incorporated under the laws of Luxembourg in June 2019 and principally engages in risk capital investment. Ventech is controlled by Ventech China Lux, a limited liability company incorporated under the laws of Luxembourg which is controlled by Mr. Eric Huet.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Ventech held approximately 2.12% of the total issued share capital of our Company.

Nanjing Qingke Letai LP

Nanjing Qingke Letai LP is a limited liability partnership established under the laws of the PRC in August 2020 and principally engages in equity investment. Its general and executive managing partner is Nanjing Qingke Yintai Investment Management Partnership (Limited Partnership) (南京清科銀鈦投資管理合夥企業(有限合夥)) ("Nanjing Qingke Yintai LP"), holding 1% interest therein. As of the Latest Practicable Date, Nanjing Qingke Letai LP has three limited partners, with Nanjing Yintai Investment Management Partnership (Limited Partnership) (南京銀鈦投資管理合夥企業(有限合夥)) ("Nanjing Yintai LP") holding 50% partnership interest therein, and Nanjing Pukou District Industrial Development Fund (Limited Partnership) (南京市浦口區產業發展基金(有限合夥)) ("Nanjing Pukou LP") holding 39% interest therein. The general partner of Nanjing Qingke Yintai LP is Beijing Qingke Chuangying Venture Capital Management Co., Ltd. (北京清科創盈創業投資管理有限公司), a limited liability company established under the laws of the PRC which holds 30% of the partnership interest therein and which is ultimately controlled by Mr. Ni Zhengdong (倪正東). The general partner of Nanjing Yintai LP is Beijing Qingke Chuangying Venture Capital Management Co., Ltd. (北京清科創盈創業投資管理有限公司), a limited liability company established under the laws of the PRC which is also ultimately controlled by Mr. Ni Zhengdong (倪正東). Nanjing Yintai LP has nine limited partners, with Pan Junzhu (潘俊竹) holding approximately 50.00% partnership interest therein and the remaining limited partners holding less than one third of the partnership interest therein. Nanjing Pukou LP is a limited liability partnership established under the laws of the PRC, the general partner of which is Nanjing Yushan Private Equity Fund Management Co., Ltd. (南京雨山私募基金管理有限公司) ("Nanjing Yushan"), a limited liability company established under the laws of the PRC which is ultimately controlled by Nanjing Pukou District Government State-owned Assets Supervision and Administration Office (南京市浦口區政府國有資產監督管理辦公室). Nanjing Yushan is interested in 1% of the partnership interest in Nanjing Pukou LP. The remaining 99% partnership interest is held by Nanjing Pukou District Finance Bureau (南京市浦口區財政局), being the sole limited partner of Nanjing Pukou LP.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Nanjing Qingke Letai LP held approximately 2.02% of the total issued share capital of our Company.

Zhuhai Ansheng Investment LP

Zhuhai Ansheng Investment LP is a limited liability partnership established under the laws of the PRC in March 2022. Its general and executive managing partner is Mr. Liu Jiaye (劉佳曄), holding approximately 3.33% interest therein. As of the Latest Practicable Date, Zhuhai Ansheng Investment LP has seven limited partners, with Jiangxi Youchen Industrial Group Co., Ltd. (江西友宸實業集團有限公司) ("Jiangxi Youchen") holding approximately 41.67% partnership interest and six other individuals, namely Huang Liping (黃麗萍), Tan

Weike (譚維克), Yang Hongchang (楊鴻長), Wu Xiaohong (吳小紅), Duan Yan (段艷) and Zhou Qiongying (周瓊英), each of which are Independent Third Party. The equity interest of Jiangxi Youchen is owned as to 99.99% by Mr. Zhou Shiyou (周世友).

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Zhuhai Ansheng Investment LP held approximately 1.64% of the total issued share capital of our Company.

Shenzhen Langke Investment

Shenzhen Langke Investment is a limited liability company established under the laws of the PRC in December 2014. The equity interest of Shenzhen Langke Investment is owned as to 98.02% by Wanwuwei (Shenzhen) Venture Capital Center (Limited Partnership) (萬物為(深圳)創業投資中心(有限合夥)) ("Wanwuwei VC LP"), a limited liability partnership established in the PRC with Wanwuwei Intelligence (Shenzhen) Co., Ltd. (萬物為智慧產業(深圳)有限公司) ("Wanwuwei Intelligence") being the general partner. Wanwuwei Intelligence is a limited liability company established under the laws of the PRC, the equity interest of which is owned as to 99% by Ms. Pu Zuli (蒲祖麗). Wanwuwei VC LP has one limited partner, namely Shenzhen Wanwu Changqing Venture Capital Partnership (Limited Partnership) (深圳市萬物常青創業投資合夥企業(有限合夥) ("Shenzhen Wanwu LP"), holding 90% partnership interest therein. The general partner of Shenzhen Wanwu LP is Wanwuwei Intelligence, holding 10% partnership interest therein, and Shenzhen Wanwu LP has one limited partner, namely Ms. Pu Zuli (蒲祖麗), holding 90% partnership interest therein.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Shenzhen Langke Investment held approximately 1.10% of the total issued share capital of our Company.

Shenzhen Wanshan LP

Shenzhen Wanshan LP is a limited liability partnership established under the laws of the PRC, the general and executive managing partner of which is Mr. Huang Mingrong (黃明榮), holding 98% interest therein. Shenzhen Wanshan LP has two limited partners.

To the best knowledge, information and belief of our Directors, each of the aforesaid individuals or entities is an Independent Third Party.

As of the Latest Practicable Date, Shenzhen Wanshan LP held approximately 0.99% of the total issued share capital of our Company.

ACTING-IN-CONCERT AGREEMENT

On September 8, 2022, Mr. Li and Mr. Pan, being our co-founders who had jointly led the strategic planning and key decision-making of our Company, had entered into the Acting-in-concert Agreement with a view to consolidating the strategic control and long-term vision for the Company's development, particularly during its critical pre-IPO and post-IPO growth phases. Pursuant to the terms of the Acting-in-concert Agreement, Mr. Pan agreed, for a period of commencing from the date of agreement up to 36 months after the Listing Date, to act in concert with Mr. Li in relation to all matters requiring the exercise of shareholder rights and director rights in our Company (where applicable).

Specifically, Mr. Pan has undertaken to procure all entities under his control to align with Mr. Li's opinions and act consistently with Mr. Li when exercising voting rights at shareholders' meetings of our Company, including but not limited to matters involving proposals, nominations, voting (in favour/against/abstain), and other decision-making rights. Mr. Pan further agreed to execute all resolutions and relevant legal documents arising from such decisions in a manner consistent with Mr. Li. Similarly, in respect of his capacity as a director of the Company (if applicable), Mr. Pan agreed to act in accordance with Mr. Li's views when exercising board powers, including voting on board resolutions, proposing or seconding matters, and executing relevant documents.

The Acting-in-concert Agreement does not contain any express reserved matters or carve-outs that allow Mr. Pan to deviate from Mr. Li's views when exercising shareholder rights or, director powers. Pursuant to the terms of the agreement, Mr. Pan has undertaken to act consistently with Mr. Li's instructions and opinions in relation to all matters requiring the exercise of voting rights at shareholders' meetings and, if applicable, board meetings of the Company, without distinction as to subject matter. As such, Mr. Pan does not retain contractual discretion under the agreement to vote differently from Mr. Li or to independently determine his position on any matter covered by the agreement. Notwithstanding this, Mr. Pan remains subject to his fiduciary duties as a Director under applicable laws and regulations, and as advised by our PRC Legal Advisers, nothing in the agreement shall operate to override his obligation to act in accordance with such duties.

The 36-month post-Listing effective period was determined having considered the need to maintain continuity and stability in the Company's governance structure and leadership as it navigates the early years as a publicly listed company. Unless otherwise mutually agreed between Mr. Li and Mr. Pan, the Acting-in-concert Agreement shall remain binding during its fixed term and will terminate automatically upon the expiry of such term. Any earlier termination would be subject to mutual consent between the parties.

The Acting-in-concert Agreement is intended to formalise the consensus between Mr. Li and Mr. Pan in respect of exercising shareholder and director rights prior to and following the Listing. Upon its expiry or termination (whether upon the end of its fixed term or otherwise by mutual agreement), Mr. Li and Mr. Pan may independently exercise their respective voting rights and director powers, and there may no longer be a binding obligation for them to align their decisions. While this may potentially lead to divergence in views or voting outcomes on corporate matters, we will continue to be governed by its

Articles of Association and the applicable laws and regulations of its place of incorporation and listing. The Board believes that the expiry or termination of the Acting-in-concert Agreement will not have any material adverse impact on our day-to-day operations, corporate governance structure, or compliance with the Listing Rules.

EMPLOYEE SHARE OWNERSHIP PLATFORM

To incentivize them to further promote our development, Wonder Innovation ESOP was established as our employee share ownership platform in the PRC in May 2017, through which we have adopted a share ownership scheme ("Share Ownership Scheme") to conditionally award the partnership interest in Wonder Innovation ESOP to the scheme participants. The Share Ownership Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

Mr. Li has been the sole general partner of Wonder Innovation ESOP since the establishment of Wonder Innovation ESOP. According to the Share Ownership Scheme and the respective grant agreements, our certain employees were granted options and may register as the limited partners of Wonder Innovation ESOP upon exercise of the options.

All management and voting powers of the Share Ownership Scheme are exercised by the sole general partner, Mr. Li, according to the partnership agreement, whereas the relevant employees as the limited partners of Wonder Innovation ESOP are entitled to the economic interest.

For further details of the partnership structure of Wonder Innovation ESOP, please see "Statutory and General Information — Further Information About our Business — Employee Share Ownership Platform".

H-SHARE FULL CIRCULATION

Our Company has applied for H-Share Full Circulation to convert the Unlisted Shares into H Shares as per the instructions of our Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 200,000,000 Unlisted Shares (assuming the Share Subdivision has taken place), representing (i) all the issued share capital of our Company as of the Latest Practicable Date (assuming the Share Subdivision had taken place); and (ii) approximately 90% of the total issued Share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option). For further details, see "Share Capital" in this prospectus.

PUBLIC FLOAT

Immediately upon completion of the Global Offering and the Share Subdivision (assuming that the Over-allotment Option is not exercised and that the H-Share Full Circulation application of our Company is completed), our Company will have 222,222,300 H Shares, among which:

(a) 134,451,900 H Shares to be converted from Unlisted Shares pursuant to the H-Share Full Circulation application of our Company and listed on the Stock Exchange (representing approximately 60.50% of our total issued Shares upon Listing assuming that the Over-allotment Option is not exercised) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such Shares are being held by (i) Mr. Li, Mr. Pan, Wonder Innovation ESOP, being members of the Controlling Shareholder Group; (ii) Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe, being entities controlled by Professor Li, our non-executive Director; and (iii) Brizan Ventures V, one of the ultimate controller being Professor Ko, our non-executive Director, which are core connected persons of our Company;

(b) 65,548,100 H Shares to be converted from Unlisted Shares pursuant to the H-Share Full Circulation application of our Company and listed on the Stock Exchange (representing approximately 29.50% of our total issued Shares upon Listing assuming that the Over-allotment Option is not exercised), will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as these Shares are not held by persons who are core connected persons of our Company upon Listing nor are they accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons; and

(c) 22,222,300 H Shares to be issued under the Global Offering (representing approximately 10.00% of our total issued Shares upon Listing) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing, assuming that (i) the Over-allotment Option is not exercised and (ii) none of the following persons will take part in the Global Offering: our Company's core connected persons, any persons who are accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares, and any person whose acquisition of Shares were financed directly or indirectly by our Company's core connected persons.

In light of the above, the public float of our Company will be approximately 39.50% upon Listing assuming that (i) the Over-allotment Option is not exercised and (ii) none of the following persons will take part in the Global Offering: our Company's core connected persons, any persons who are accustomed to take instructions from our Company's core connected persons in relation to their acquisition, disposal, voting or other disposition of their shares, and any person whose acquisition of Shares were financed directly or indirectly by our Company's core connected persons.

Based on the indicative Offer Price range of HK$63.0 to HK$81.0 per Offer Share, the expected market capitalization of the Company's Shares would exceed HK$6,000,000,000 but not exceeding HK$30,000,000,000. Pursuant to Rule19A.13A(1) of the Listing Rules, H Shares representing the higher of: (i) the percentage that would result in the expected market value of H Shares held by the public to be HK$1,500,000,000 at the time of the Listing; and (ii) 15%, must be held by the public at the time of the Listing. Accordingly, H Shares representing over 15% of our Company's total issued Shares will be held by the public upon completion of the Global Offering, and the requirement of public float under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules is satisfied.

FREE FLOAT

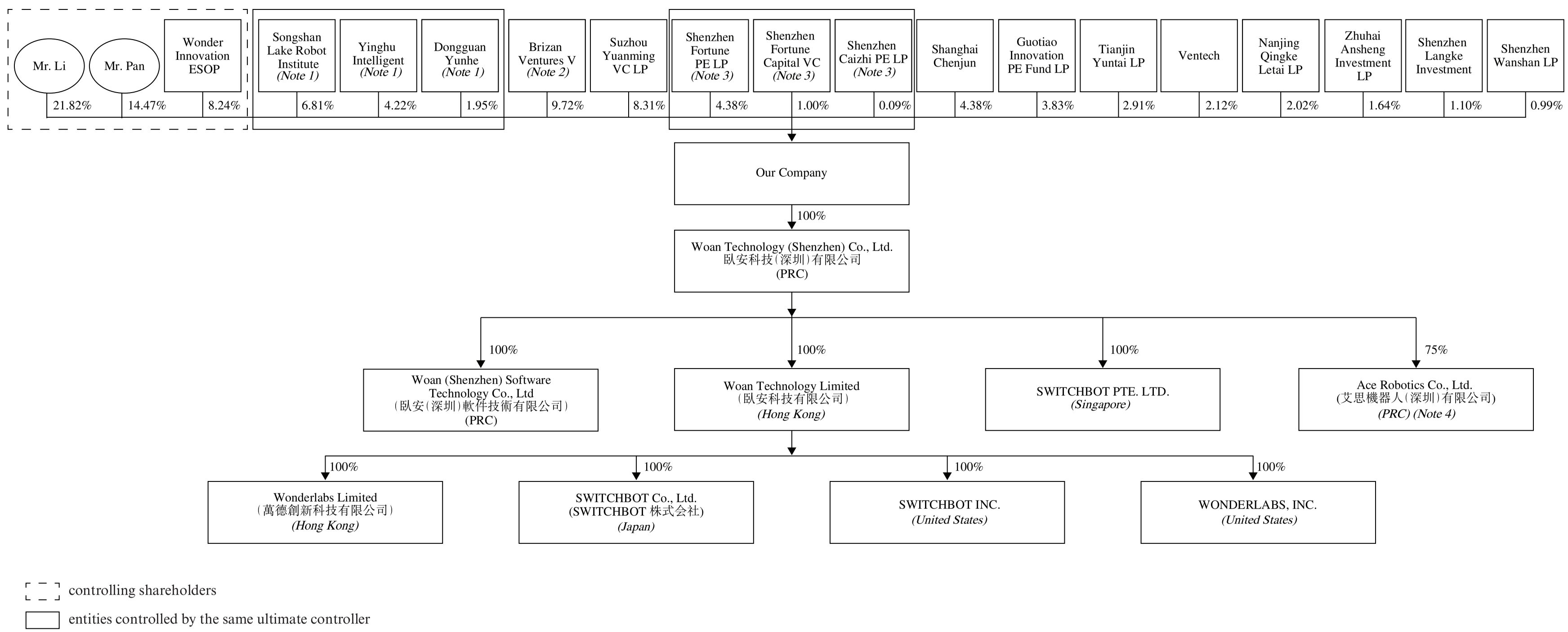
Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Based on an Offer Price of HK$63.0 per H Share, being the low end of Offer Price, the Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders are not allowed to dispose of any of the Shares held by them.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth our Group's shareholding and corporate structure immediately prior to the completion of the Global Offering:

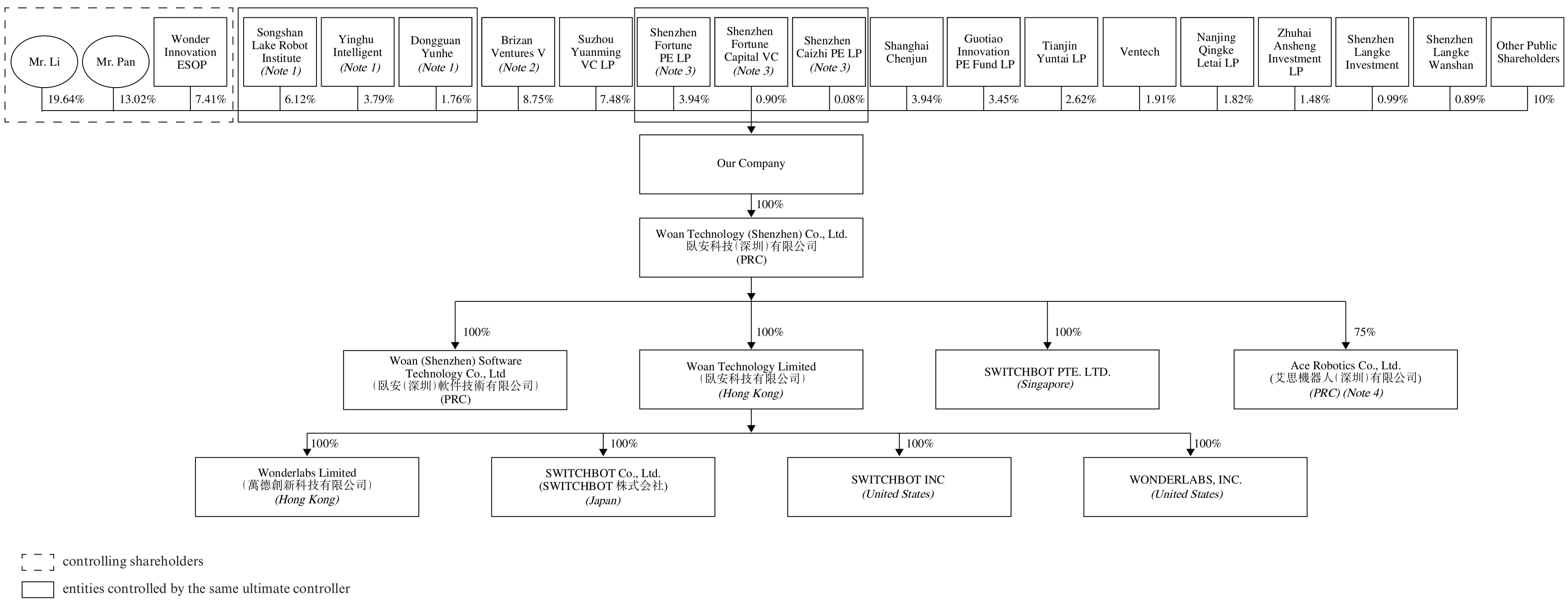


Notes:

1. Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe are commonly and ultimately controlled by Professor Li, our non-executive Directors.
2. Brizan Ventures V is ultimately controlled by Professor Ko, our non-executive Director, together with Mr. Kwong.
3. Shenzhen Fortune PE LP, Shenzhen Fortune Capital VC and Shenzhen Caizhi PE LP are commonly and ultimately controlled by Hunan TV and Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (000917.SZ).
4. Ace Robotics Co., Ltd. (艾思機器人(深圳)有限公司) is a joint venture company established under the laws of the PRC. As of the Latest Practicable Date, Woan Technology controls 75% of the voting rights therein, comprising 55% equity interest held directly and 20% equity interest held through Acemate (Shenzhen) Enterprise Management Limited Liability Partnership (艾思美(深圳)企業管理合夥企業(有限合夥)), a limited liability partnership and an employee share ownership platform established under the laws of the PRC which is controlled by Woan Technology in the capacity as the general and executive managing partner. The remaining 25% equity is held by Mr. Feng, an employee of the Group.

SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE GLOBAL OFFERING

The following chart sets forth our Group's shareholding and corporate structure immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Notes:

1. Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe are commonly and ultimately controlled by Professor Li, our non-executive Directors.
2. Brizan Ventures V is ultimately controlled by Professor Ko, our non-executive Director, together with Mr. Kwong.
3. Shenzhen Fortune PE LP, Shenzhen Fortune Capital VC and Shenzhen Caizhi PE LP are commonly and ultimately controlled by Hunan TV and Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (000917.SZ).
4. Ace Robotics Co., Ltd. (艾思機器人(深圳)有限公司) is a joint venture company established under the laws of the PRC. As of the Latest Practicable Date, Woan Technology controls 75% of the voting rights therein, comprising 55% equity interest held directly and 20% equity interest held through Acemate (Shenzhen) Enterprise Management Limited Liability Partnership (艾思美(深圳)企業管理合夥企業(有限合夥)), a limited liability partnership and an employee share ownership platform established under the laws of the PRC which is controlled by Woan Technology in the capacity as the general and executive managing partner. The remaining 25% equity is held by Mr. Feng, an employee of the Group.

OVERVIEW

Who We Are

We are a global provider of home robotic systems*, with a particular focus on the markets in Japan, Europe and North America, and are dedicated to building an ecosystem centered around smart home robotic products. According to the Frost & Sullivan Report, we ranked first globally among providers of home robotic systems in terms of retail sales in 2024 with a market share of 11.9%, and are a leading global provider of home robotic systems offering a broad range of home robotic categories designed for a variety of home living scenarios. Our offerings primarily comprise: (i) execution-enhanced robots, including dexterous hand-mimic robots such as lock robots, curtain robots and finger robots, enhanced mobile robots such as multitasking household robots, and sports robots; (ii) perception and decision-making systems, including smart hubs, smart sensors and smart cameras; and (iii) other smart home products and services, such as light and power tools and smart home appliances. With technical R&D and product innovation as our core drivers, we leverage our advantages across the industry chain encompassing R&D, production, and sales to continuously enhance the application and development of technology in a wide array of home living scenarios, including home automation, domestic chores, AI butler, elderly care, security and energy management, while continuously expanding the depth of our scenario coverage and enhancing our products' autonomous learning and decision-making capabilities to provide users with a complete and enriched smart home living ecosystem. We have made significant achievements through our commitment to the continuous development in the field of home robotic systems, which are highlighted below**:

Industry Leader	**A global provider** of home robotic systems with a particular focus on the markets in Japan, Europe and North America[(1)]	A provider of home robotic systems with a **comprehensive deployment** of home robotic categories[(1)]	**Ranked FIRST** in Japan's home robotic system industry for **3 consecutive** years since 2022[(1)]
R&D Practitioner	**Launch and commercialize** finger robots, curtain robots, fingerprint lock robots, multitasking household robots and AI tennis robot[(1)]	**311** registered patents **56** invention patents	**43.4%** R&D staff 2022–2024 Average R&D expenses accounted for approximately **20%** of annual revenue
Global Operator	**SwitchBot App** **3.5 million+** registered users **10.8 million+** connected devices	**Our products** Sold to **90+** countries/regions Track Record Period Available in **2,000+** offline retail stores	Approximately **55.9%** registered users have linked **≥2** of our products in our Switchbot App
Growth Driver	2022-2024 Revenue CAGR **49.0%** Revenue from DTC channels CAGR **73.3%**	2022-2024 Gross profit CAGR **83.1%** 2023–2024 Gross profit margin **50.0%+**	2023 Adjusted-EBITDA (non-IFRS measure) turned positive for the first time 2023–2024 Adjusted-EBITDA (non-IFRS measure) YoY **348.6%**

Notes:

* Our innovative approach involves applying home robotic technology to creatively decompose robotic functional parts through a distributed structure, thereby mimicking human capabilities such as "hands", "feet", "eyes", "skin" and "brain".

** Unless otherwise stated, all data presented in the diagram are as of the Latest Practicable Date.

(1) According to the Frost & Sullivan Report.

R&D Practitioner. As a R&D practitioner in the global home robotic system industry, we have launched multiple products while building strong intellectual property assets and maintaining significant R&D investments. We introduced and commercialized several innovative products in the home robotic system industry. We launched the SwitchBot Bot in 2017. In 2020, we introduced SwitchBot Curtain, followed by SwitchBot Lock in 2021, and SwitchBot S10, an enhanced mobile robot in 2023. In May 2025, we launched Acemate, an AI tennis robot. As of the Latest Practicable Date, we owned 311 patents globally, including 56 invention patents that represent our key technological developments. We have assembled a highly capable R&D team, accounting for 43.4% of our total employees as of the Latest Practicable Date. Our commitment to innovation is further demonstrated by our significant R&D investment, with R&D expenses accounting for approximately 20% of our revenue between 2022 and 2024.

Global Operator. Our rise as a global operator is demonstrated by our extensive worldwide reach, high user engagement, and strong product adoption across diverse markets and demographics. Building upon our technological foundation, we have developed a comprehensive ecosystem that seamlessly connects our innovative products with users worldwide. As of the Latest Practicable Date, over 3.5 million users had registered with our SwitchBot App since its launch, and over 10.8 million devices had been connected to our SwitchBot App since its launch. Our products are sold to more than 90 countries and regions worldwide during the Track Record Period, with availability in over 2,000 offline retail stores globally as of the Latest Practicable Date. Approximately 55.9% of all users who had registered with our SwitchBot App had connected two or more of our SwitchBot products with the SwitchBot App as of the Latest Practicable Date, demonstrating strong adoption across our product ecosystem, underscoring our strong consumer loyalty and brand positioning.

Growth Driver. During the Track Record Period, we achieved strong financial performance, with steady growth in revenue and gross profit margin. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our revenue amounted to RMB274.6 million, RMB457.3 million, RMB609.9 million, RMB275.0 million and RMB396.3 million, respectively, representing a CAGR of 49.0% from 2022 to 2024. Our DTC channels experienced significant growth, with a CAGR of 73.3% from 2022 to 2024. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, and our gross profit was RMB94.1 million, RMB230.5 million, RMB315.6 million, RMB138.8 million and RMB214.8 million, respectively, representing a CAGR of 83.1% from 2022 to 2024. Our gross profit margin has reached 50.4% and 51.7% in 2023 and 2024, respectively. Our adjusted-EBITDA (non-IFRS measure) has also shown significant improvement, turning from negative RMB69.1 million for the year ended December 31, 2022 to RMB5.8 million and RMB26.1 million for the years ended December 31, 2023 and 2024, respectively, and from RMB0.2 million for the six months ended June 30, 2024 to RMB54.1 million for the six months ended June 30, 2025, demonstrating our enhanced operational efficiency and progress toward sustainable profitability.

Our Business and Product Portfolio

Since our inception, we have consistently focused on developing home robotic systems to address diverse user needs across a variety of home living scenarios. Our comprehensive product portfolio mainly consists of execution-enhanced robots and perception and decision-making systems. Our execution-enhanced robots primarily include (i) dexterous hand-mimic robots that mimic human finger and wrist movements to achieve physical interaction, including lock robots, curtain robots and finger robots; and (ii) enhanced mobile robots that mimic human "foot" movement and can perform a variety of composite functions through different modular product combinations, such as cleaning, air purification, mobile delivery and dynamic monitoring, even certain sports activities. Complementing these products, our perception and decision-making systems simulate human sensory and cognitive functions, with perception products such as smart cameras and smart sensors serving as "eyes" and "skin," and smart hubs functioning as the "brain" that enables interconnectivity and coordinated control among multiple devices. Through this integrated product approach, we have created a comprehensive home robotics ecosystem that brings advanced automation capabilities to everyday home environments. The following diagram illustrates the full lineup of our home robotic system products.

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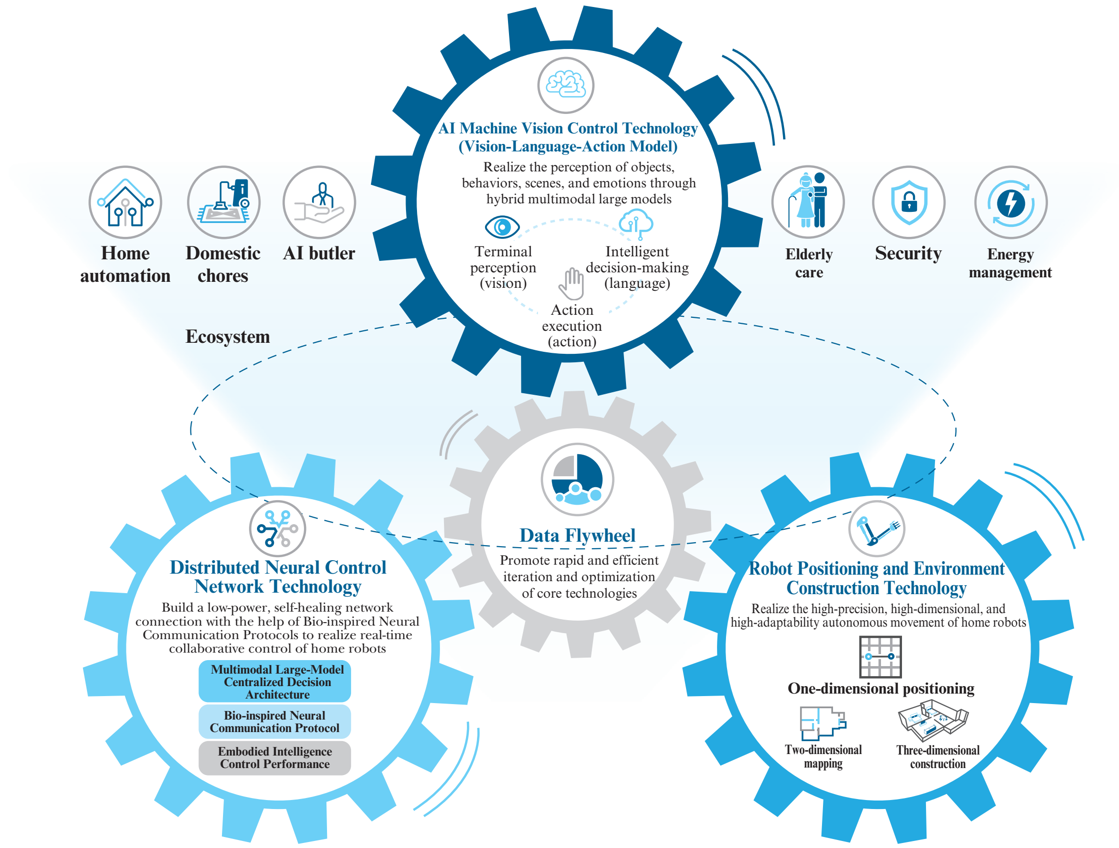
* Indicating products that are expected to be launched or sold soon. Specifically, (i) AI companion robot was officially launched at IFA Berlin in September 2025; we are currently optimizing the product, with commercial sales expected to commence in due course; and (ii) the first model of our humanoid chore robot is currently undergoing testing and optimization, and is expected to be launched by the end of January 2026. For details of these products, please refer to the section headed "— Our Brand and Products — Products Under Development" in this prospectus.

Our Technologies

Through building a product-market fit (PMF)-driven agile development system, we effectively connect the end-to-end innovation loop of "technical R&D-product iteration-market verification," achieving simultaneous advancement of technical solutions and product performance.

We have independently developed and mastered three core home robotics technologies: (i) robot positioning and environment construction technology, which enables millimeter-level positioning and dynamic environment modeling through multi-sensor fusion and 3D visual reconstruction, allowing home robotic systems to adapt to complex layouts and autonomously plan paths; (ii) AI machine vision control technology, which combines multi-modal large language models, vertical models, and diffusion models to achieve millisecond-level object recognition and real-time feedback via CMOS visual sensors, widely applied in cleaning and security scenarios; and (iii) distributed neural control network technology, which features bio-inspired communication protocols to form a low-power, self-healing network that ensures coordinated whole-house responses while automatically adapting to different layouts and device combinations, providing the technological foundation for a complete smart home ecosystem. At the same time, based on the feedback from millions of registered users, we continuously optimize the vertical domain and general-purpose large models for a variety of scenarios. Through a feedback system, we achieve a virtuous cycle of algorithm iteration and scenario application, creating a self-improving loop where user feedback collected from interactions or processes is used to continuously refine our models, generating better outcomes and more valuable data for continued improvement (also known as data flywheel effect), which is set out below:



We Have Very Broad Market Opportunities

As user demands show structural changes toward complexity and intelligence, home robotic system products will gradually replace traditional home robots, achieving comprehensive intelligent coverage of home living scenarios through system-level solutions, ultimately driving the holistic home intelligent ecosystem to evolve toward higher dimensions of autonomous learning and autonomous decision-making. According to the Frost & Sullivan Report, the global home robotic systems market has entered a period of rapid growth. In addition, the penetration rate of home robotic systems in the global home robot industry has grown from 1.0% in 2022 to 2.3% in 2024 and is expected to reach 16.2% in 2029. In terms of market size, the global home robotic system industry has experienced significant growth, which increased from RMB2.2 billion in 2022 to RMB5.9 billion in 2024, representing a CAGR of approximately 63.7% for the period. By 2029, its market size is expected to reach RMB70.7 billion, representing a CAGR of approximately 64.2% from 2024 to 2029. For details, please refer to the section headed "Industry Overview" in this prospectus.

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors:

A leading provider of home robotic systems with deployment in comprehensive home living scenarios

We have build a strong presence in the development and manufacturing of home robotic system products. According to the Frost & Sullivan Report, we are a company that has fully deployed the home robotic system products, enabling intelligent interaction between multiple products within an ecosystem as of the Latest Practicable Date. According to the same source, we ranked first globally among providers of home robotic systems in terms of retail sales in 2024 with a market share of 11.9%. Our mission is to provide smarter and more convenient living experiences for households through innovative technology.

Home robotic systems, which combine execution-enhanced robots with perception and decision-making systems, represent a rapidly emerging category in the home robot industry by integrating artificial intelligence, robotics, and IoT technologies. These robots can perform human-like actions and, through various product combinations, accomplish complex tasks. By enabling interconnectivity through perception and decision-making systems, these robots are capable of handling multiple household tasks, thereby establishing a home robotic ecosystem for smart home living. The global market for home robotic systems is growing rapidly, driven by increasing demand for intelligent home products and ecosystem. According to the Frost & Sullivan Report, the market size of the global home robotic system industry grew from RMB2.2 billion in 2022 to RMB5.9 billion in 2024 and is projected to reach RMB70.7 billion by 2029, representing a CAGR of approximately 64.2% from 2024 to 2029. Market penetration rose from 1.0% in 2022 to 2.3% in 2024 and is expected to reach 16.2% by 2029, reflecting growing global adoption. These systems are expected to replace traditional smart home products and we enjoy an early-mover advantage in this rapidly growing market.

Based on our profound and insightful understanding of smart home living, we have developed a home robotic system, enabling robot interaction through smart hubs to build a dedicated ecosystem for home living scenarios. Our execution-enhanced robots are responsible for completing basic tasks in home living scenarios, while our perception and decision-making systems simulate human perception and brain functions, monitoring environmental changes in real-time to achieve task and scenario generalization. With technological iterations, we have integrated AI and edge computing into our products, building a multi-level robot task architecture with autonomous learning capabilities. The perception and decision-making system, combined with large model analysis and local training, can quickly respond, anticipate user needs, and coordinate with execution-enhanced robots to complete tasks, giving our home robotic systems the ability to handle complex home cross-scenario tasks.

We have consistently adhered to "first principles thinking", leveraging our deep insight into users' actual pain points and needs in home living, and relying on our independently developed technology to successfully create multiple industry benchmark products from scratch. Our product portfolio is comprised of execution-enhanced robots, which include dexterous hand-mimic robots and enhanced mobile robots, and perception and decision-making systems, such as smart hubs, smart sensors and smart cameras. These products can be applied in home automation, domestic chores, AI butler, elderly care, security and energy management, achieving seamless coverage of diverse smart home categories. Certain of our enhanced mobile robots, such as Acemate, can even engage in sports activities such as tennis. For details, please see "— Our Brand and Products — Home Robotic System Products — Execution-enhanced Robots — Enhanced Mobile Robots" in this prospectus. Through our omni-channel sales strategy, we have successfully established "SwitchBot" as a renowned global smart home brand.

The rapid development of artificial intelligence technologies has further expedited our pursuit of various development opportunities. Artificial intelligence and edge algorithm large models enable us to apply more cutting-edge technologies to our products, greatly enhancing their autonomous learning and decision-making capabilities to achieve deeper intelligence. During the Track Record Period, we completed the full category deployment of our home robotic system by launching an average of 10 new products or upgrades of existing products each year.

Powering technological innovation through experienced R&D teams and self-developed proprietary technologies

Proprietary Technologies. Guided by our vision, we adhere to the principle of product and innovation-driven development to enhance our proprietary technologies, ensuring these technologies can be seamlessly applied to our products. We have independently developed and mastered three core home robotic technologies, including robot positioning and environment construction technology, AI machine vision control technology, and distributed neural control network technology, all of which have been successfully applied to our products.

- For robot positioning and environmental construction technology, we achieved "high-precision, high-dimensionality, high-adaptability" autonomous mobility capabilities through multi-sensor fusion, edge intelligence, and 3D visual reconstruction. This technology will allow our products to accurately position themselves in one, two, and three dimensions with high precision, map large surrounding home environments, and create detailed 3D models of spaces that can prominently identify features such as glass surfaces and obstacles.

- For AI machine vision control technology, we combined multi-modal large language models, vertical models, and diffusion models leveraging the perceptual capabilities of terminal devices equipped with CMOS vision sensors and edge chips, enabling precise recognition and intelligent feedback. This technology allows our home robotic systems to first analyze and interpret visual data to understand their surroundings and then integrate this information with positioning and environmental mapping technologies to determine movements and execute actions with high precision through execution-enhanced robots.

- For distributed neural control network technology, we utilized Bio-inspired Neural Communication Protocols to build low-energy, rapidly self-healing network connections, achieving real-time collaborative control of various smart devices throughout the home. This technology features fast response times, high precision, high control success rates, and low energy consumption, while automatically adapting to complex and changing home environments, providing dependable technical support for our home robotic ecosystem.

R&D Leadership and Talents. Our R&D team is led by Mr. PAN Yang (潘陽), who holds a bachelor's degree from Harbin Institute of Technology and has approximately 14 years' experience in R&D. We have assembled a highly capable R&D team comprising 278 R&D employees, accounting for 43.4% of our total employees as of the Latest Practicable Date. Our core team includes professionals with advanced degrees from prestigious institutions including Harbin Institute of Technology, University of Toronto, and Peking University, with experience from leading companies and organizations such as Google and the Centre for Advanced Robotics Technology Innovation at Nanyang Technological University in Singapore.

Flywheel Effect. Leveraging our proprietary technologies and R&D capabilities, we create a virtuous cycle where products interact with users, generating real-scene feedback that fuels efficient product iteration and optimization. This approach enables us to rapidly develop new offerings and enhance existing ones to meet evolving market needs, driving sustainable long-term growth.

Investment in R&D and Achievements. We consistently maintain substantial R&D investment to introduce new products to the market and enhance our competitive advantage. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our total R&D expenses amounted to RMB61.8 million, RMB89.2 million, RMB112.0 million, RMB56.7 million and RMB58.7 million, respectively, reflecting a CAGR of 34.7% from 2022 to 2024. With our deep insights into user needs and usage scenarios, we are able to effectively transform R&D investments into product commercialization, enabling us to continuously deliver home robotic system products that meet user demands while seamlessly integrating into their existing living environments. During the Track Record Period, almost all of our R&D projects resulted in commercialization of the underlying products. As of the Latest Practicable Date, we owned more than 311 global patents, including 56 invention patents, which represented our key innovations.

Accolades and Recognitions. Since our establishment, we have consistently pursued R&D innovation. We have been recognized as a National Key Specialized and Sophisticated "Little Giant Enterprises (國家專精特新重點"小巨人"企業), a National High-Tech Enterprise (國家高新技術企業) and a Guangdong Provincial Engineering Technology Research Center for Intelligent Networked Home Control (廣東省智能組網家居控制工程技術研究中心), since 2024, 2023 and 2022, respectively. For further details, please see the section headed "— Awards and Recognitions" in this prospectus.

Leveraging our product innovation capability to develop a home robotic system and establish a comprehensive smart home ecosystem with a diversified product matrix

Compared to general home robots that focus on single-product functionality, we specialize in developing home robotic system products within an ecosystem, offering users a more comprehensive, intelligent, and systematic smart home experience. Since our inception, we have been committed to enhancing smart home living by developing a distributed concept that breaks down humanoid robot functions into multiple components comprising "hands", "feet", "eyes", "skin" and "brain" functions, to perform tasks ranging from simple to complex. This approach creates an ecosystem capable of replacing a number of human actions in diverse home living scenarios. We have pursued a clear and well-defined development roadmap, continuously refining our product offerings and expanding application scenarios to fulfill and enhance the functionality of our home robotic systems from the outset. As a result, we became a leading global provider of home robotic systems offering a broad range of home robotic categories designed for a variety of home living scenarios as of the Latest Practicable Date, according to the Frost & Sullivan Report. Our ecosystem establishes a formidable competitive moat, securing our long-term growth trajectory and reinforcing our market-leading position.

Driven by creative concepts, we have launched multiple innovative product categories that generate market trends, with lock robots, curtain robots and finger robots being our core product categories that have opened and maintained market leading positions in the Japanese market in terms of retail sales during the Track Record Period. We have consistently launched products across multiple categories. Our innovation journey continued with a curtain robot in 2020, followed by a fingerprint lock robot in 2022 and an automated blinds robot in 2022. Our momentum accelerated in 2023 with the introduction of the SwitchBot K10+, the world's smallest laser vacuum robot in terms of diameter and the SwitchBot S10, an enhanced mobile robot featuring a self-refilling humidifier and fully automated mopping capabilities with direct waterline integration. Most recently, in 2025, we unveiled the Fusion Platform, an enhanced platform, mounted on our SwitchBot K20+ Pro, our latest model in our SwitchBot K Series, creating a human torso equivalent that seamlessly connects multiple distributed execution-enhanced robots. This allows us to form an enhanced combination of "enhanced mobile robot + Fusion Platform + embodied robot products", targeting complex home living scenarios. In addition, in May 2025, we launched an AI tennis robot, Acemate. As a result of this rapid innovation, we have experienced explosive growth in our enhanced mobile robot category, with revenue from this category reaching RMB110.3 million and RMB64.1 million in 2024 and the first half of 2025, respectively.

With continuous technological advancements, we have established a comprehensive home robotic system product matrix, currently covering seven product categories with 47 SPUs. Our product matrix consists of execution-enhanced robots and perception and decision-making systems, each experiencing significant growth during the Track Record Period. It took us under eight years to develop the capability to provide services to users that cover wide ranging home living scenarios.

Furthermore, all our home robotic system products can adaptively integrate into existing home ecosystems without modifying the original home environment, while performing their functions stably, providing users with great convenience and enhanced functionality. Meanwhile, through the coordination of multiple products across numerous scenarios, we have successfully achieved a smart home autonomous operation mode featuring "sensitive perception + neural center + autonomous learning + predictive decision-making," thereby constructing a complete ecosystem of "brain + perception + body + execution" and developing a true home robotic system for comprehensive home living scenarios.

Our commitment to design innovation has earned us multiple prestigious recognitions. Since our inception, we have received numerous product design awards, showcasing our strong innovation capabilities in both product aesthetics and functionality. These accolades include the Good Design Award (for our curtain robot, smart camera, smart power tool and enhanced mobile robot), the iF Design Award (for our curtain robot, enhanced-mobile robot and others), and the Red Dot Design Award (for our lock robot, curtain robot, smart camera, and smart hub). Additionally, we have been honored with the IDEA American Industrial Design Award, and the Golden Pin Design Award. For further details, please see the section headed "— Awards and Recognitions" in this prospectus.

Proven brand heritage and strong brand influence, buoyed by omni-channel sales network with global reach

The SwitchBot brand has undergone long-term market validation, accumulating rich experience and reputation, forming a unique brand culture and value. Through our high-quality product offerings and complete product coverage of home robotic system, we have gained widespread consumer recognition and gradually established a strong brand influence. Currently, SwitchBot has emerged as a leading global provider of home robotic systems across all of our target markets, including Japan, Europe and North America, especially maintaining the No. 1 position in terms of retail sales in the Japanese home robotic system for three consecutive years since 2022, according to the Frost & Sullivan Report.

Our strong brand recognition is evidenced by our search engine keyword popularity, where end consumers are able to directly access our self-operated website by searching for "SwitchBot" online. According to the backend data of our SwitchBot App, approximately 55.9% and 35.7% of all users who had registered with our SwitchBot App as of the Latest Practicable Date had connected two or more, and three or more, of our SwitchBot products with the SwitchBot App, respectively. These figures have increased steadily from approximately 48.2% and 27.7% as of December 31, 2022, respectively, demonstrating our strong consumer retention and brand positioning within our expanding smart home ecosystem.

DTC Channels Demonstrating Strong Growth

Our DTC channels have demonstrated remarkable growth during the Track Record Period with revenue growing at a CAGR of 73.3% from 2022 to 2024. Revenue generated from the DTC channels increased from 36.9% of our total revenue in 2022 to 49.8% of our total revenue in 2024. Revenue generated from the DTC channels increased from 43.7% of our total revenue for the six months ended June 30, 2024 to 44.8% of our total revenue for the six months ended June 30, 2025. This was mainly driven by the revenue growth from our self-operated website, which increased at a CAGR of 108.2% from 2022 to 2024. Revenue from our self-operated website increased from 7.5% of our total revenue in 2022 to 14.5% of our total revenue in 2024. Revenue generated from our self-operated website increased from 13.0% of our total revenue for the six months ended June 30, 2024 to 15.3% of our total revenue for the six months ended June 30, 2025. The SwitchBot App enables users to interact with our products in real-time, addressing diverse home living needs and maintaining high user engagement. The cumulative number of users who had registered with the Switchbot App had grown rapidly during the Track Record Period and up to the Latest Practicable Date, increasing from over 1.2 million as of December 31, 2022 to over 3.5 million as of the Latest Practicable Date, driven by our multi-channel user acquisition strategy that have helped form a loyal SwitchBot community.

The results of our market strategy continue to stand out, showing impressive achievements in both sales volume and revenue. During the Track Record Period, the sales volume of our home robotic system products (excluding related accessories) reached 1.8 million units, 2.1 million units, 2.4 million units and 1.2 million units for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, while we continuously pivoted toward offering high value and technologically advanced products. As a result, our revenue has experienced rapid growth with a CAGR of 49.0% from 2022 to 2024.

Strategic Channel Expansion

We have built a comprehensive omni-channel sales and distribution network that has enabled us to maximize our market reach and capitalize on diverse revenue streams. Our sales strategy leverages both e-commerce platforms and physical retail and distribution presence to establish "SwitchBot" as a leading home robotic system brand in over 90 countries and regions.

On e-commerce platforms, particularly Amazon, many users directly search for "SwitchBot" to access our product links, demonstrating strong brand recognition. With our expanding market presence, growing brand influence, and strong relationship with Amazon, we have significantly accelerated our sales growth and enhanced our visibility globally. For the year ended December 31, 2024, our Amazon channels (both Amazon VC and Amazon SC) collectively contributed 64.2% of our total revenue.

After years of market cultivation and brand building, we have established strong and stable partnerships with a number of renowned retail and distribution giants in our key markets. These enterprises have stringent quality standards for suppliers, and the fact that they have chosen to partner with us in this category demonstrates our outstanding brand power and market influence. As of the Latest Practicable Date, our products were available for sale in more than 2,000 offline retail stores globally, not only helping us deeply penetrate various local markets but also further expanding our brand awareness.

Geographic Expansion and Diversification

We commenced the sales of SwitchBot in the Japanese market in 2017, which enabled us to possess profound insights into local home environments and user needs, allowing us to quickly establish and solidify our market leading position therein. Building on the successful experience and business model we developed in Japan, we subsequently expanded into the European and North American markets. From 2022 to 2024, our CAGR in terms of retail value derived from sales in the Japanese, European, and North American markets reached 44.7%, 68.1% and 42.5%.

During the Track Record Period, our products were sold in more than 90 countries and regions globally. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our aggregate revenue from the Japanese, European, and North America markets accounted for 95.5%, 95.6%, 95.0%, 93.7% and 96.6% of our total revenue, respectively. We provide locally oriented after-sales services, language support, and customized marketing strategies for different markets, further enhancing our adaptability and competitiveness in the global markets.

Our coordinated global sales network has enabled us to build a truly international presence across diverse geographic markets. This widespread market coverage demonstrates our adaptability to different consumer preferences and our ability to successfully scale our business model internationally while maintaining strong growth across all regions.

A complete and highly synergetic value chain integrating R&D, production and sales, ensuring operational efficiency

As a global leader in the home robotic systems market, we have established a complete vertically integrated value chain encompassing R&D, production, and sales in such market. This integration enables us to fully capitalize on emerging market opportunities through highly efficient supply chain management while continuously accelerating technological research and product innovation. Our end-to-end control of the value chain has significantly improved operational efficiency and service capabilities, reinforcing our market leadership and long-term growth potential.

We employ a cross-functional, project-based approach to product development, forming dedicated teams that integrate R&D, production, and sales personnel, ensuring seamless collaboration and real-time decision-making throughout the development cycle. This approach, combined with our vertically integrated value chain, has allowed us to fast track the transformation of ideas and concepts into commercialized products during the Track Record Period. We are capable of bringing promising concepts to market in a relatively short period of time (i.e., three months), significantly outpacing the industry average of eight to 12 months, according to Frost & Sullivan Report. During product development, the sales department provides market insights that highlight R&D priorities, while our product initiation and process management systems convert these insights into technical specifications. Once developed, products are efficiently sold through our omni-channel sales and distribution network, creating a cohesive path from product conceptualization to commercialization. Moreover, through standardized design and modular production, we have achieved component universalization, enabling large-batch procurement that further reduces our costs of production. Benefiting from the economies of scale brought by high sales volumes, we have achieved significant efficiency improvements and cost optimization in production and supply chain management. On the sales side, we interact directly with users, quickly obtaining feedback and accurately understanding their needs and preferences. This feedback not only drives the iteration and upgrade of our existing products but also helps us continuously develop new products that satisfy growing market demands. Our integrated value creation system of "independent R&D + independent production + sales reach + product iteration + continuous innovation" has created a self-reinforcing virtuous cycle, enabling us to achieve sustained growth and innovation.

From the early stages of development, we have prioritized independent production, which allows us to seamlessly translate innovative concepts into market-ready products with greater efficiency and supply chain stability. This model ensures stronger control over product quality, cost optimization, and production flexibility, strengthening our ability to respond quickly to market demands. At the same time, we firmly control numerous core technology patents, product designs, and other intellectual property, giving our products higher added value and pricing autonomy.

Additionally, our supply chain advantages are reflected in efficient communication with suppliers, diversified cooperation models, and cost advantages. This close cooperative relationship not only enhances the flexibility and responsiveness of the supply chain but also further optimizes our cost structure. Our gross profit margin for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 was 34.3%, 50.4%, 51.7%, 50.5% and 54.2%, respectively, with our 2023 and 2024 gross profit margins outperforming the industry average, according to the Frost and Sullivan Report.

Stable and cohesive core management team with years of cooperation and an efficient organizational structure

We are led by our co-founders and supported by a team of distinguished experts in home robotic systems. Our core management team comprises innovative and energetic professionals with an average age of approximately 35 years old and an average industry experience of approximately 12 years, all of whom were graduates of leading global academic institutions. They bring extensive experience from prestigious technology companies and unicorn enterprises, providing us with comprehensive industry expertise and deep insights into home robotic system products.

Mr. LI Zhichen (李志晨), one of our co-founders and chief executive officer, brings 12 years of experience in the robotic industry. Mr. Li possesses a distinctive approach to product conceptualization and development. His innovative product philosophy and acute market awareness led to the development of our home robotic systems for home living scenarios. Mr. Li's strategic vision and implementation capabilities have enabled us to consistently deliver market-recognized products and achieve sustainable business growth. Mr. PAN Yang (潘陽), one of our co-founders and chief technology officer, currently leads our product research and development department, ensuring timely development and delivery of products to the production department. Mr. Pan spearheads the resolution of core technical challenges, collaborates with Mr. Li on defining product roadmaps, and oversees detailed parameters of product design. His technical leadership has been instrumental to our success.

We also benefit from the guidance and support of distinguished scholars. Professor LI Zexiang (李澤湘) and Professor KO Ping Keung (高秉強), both serving as our non-executive Directors, provide professional advice on product positioning and industry trends. Professor Li brings extensive expertise in robotics and automation, with his research earning numerous accolades, including IEEE Fellow status and the 2019 IEEE Robotics and Automation Award. Professor Ko contributes invaluable insights as a renowned electronic engineering expert, with his influential research on integrated circuit reliability widely recognized in both academic and industrial circles. He has also won numerous accolades, including the coveted 2002 IEEE Solid-State Circuit Award. Both professors have worked at several prestigious universities including the Hong Kong University of Science and Technology and the University of California, Berkeley, through their professional careers.

Our co-founders and core management team have established technical foundations and collaborative relationships over many years. In particular, several members of our core management team, including Mr. Li Zhichen, Mr. Pan Yang, Mr. LIN Haizhou (林海洲), our chief operating officer, and Mr. LIU Guohui (劉國輝), our vice president in production engineering, share a deep connection dating back to their college years at the Harbin Institute of Technology and have known each other for more than 17 years. This synergy has facilitated clear functional divisions and an efficient organizational structure. Under their leadership, we have maintained unwavering focus on delivering premium products and systematically developing a comprehensive product portfolio spanning the entire home service ecosystem. We have achieved advancement in several competitive international markets, establishing ourselves as a global home robotic system product manufacturer and service provider.

BUSINESS STRATEGIES

To solidify our market leading position and further propel our business growth, we intend to pursue the following business strategies:

Enhance R&D capabilities and expand our product portfolio

We are committed to strengthening and accelerating our technological progress in the home robotic systems market through continuous innovation and strategic R&D investment. We plan to establish an R&D center with dual bases in Hong Kong (the "Hong Kong Base") and mainland China to drive our technology advancement. We plan to locate the Hong Kong Base near leading innovation hubs such as Hong Kong University of Science and Technology, focusing on leveraging global talent for cutting-edge embodied robot control algorithm research. This facility will concentrate on VLA algorithms, imitation learning, reinforcement learning, and Sim2Real applications, while exploring new robotic applications for home scenarios. Through this center, we aim to build comprehensive datasets of robot operations and create a positive feedback loop between algorithm iteration and practical applications, forming a data flywheel effect that continuously improves our technology. We plan to locate our collaborative base in mainland China near top-tier academic clusters, focusing on leveraging domestic university resources, engineering talent, and supply chain collaborations. This facility will deploy industrial-grade validation equipment to accelerate technology commercialization, with emphasis on industrialization and cost-effective design research. As of the Latest Practicable Date, we had completed the site selection and leasing for both our Hong Kong base and our collaborative base in mainland China. The total expenditure for establishing these dual R&D bases is expected to primarily comprise property rental fees, design and decoration costs, and salaries of the relevant R&D personnel. For further details, please see "Future Plans and Use of Proceeds" in this prospectus.

We plan to focus our R&D efforts on the following key technologies:

- *Advanced robot positioning technology*. We plan to enhance our robot positioning technology with capabilities for three-dimensional map fusion, occupancy grid mapping, and object motion prediction. These advancements will enable our future product categories including humanoid chore robots and AI companion robot to navigate complex environments and execute tasks with greater precision. While our existing technology achieves high-precision positioning and two-dimensional mapping for static and semi-structured environments, our advanced technology is expected to enable multi-robot collaborative three-dimensional space recognition and real-time prediction of dynamic object trajectories, transforming navigation from reactive obstacle avoidance to proactive path planning in complex household environments.

- *Advanced AI machine vision control technology and edge computing technology*. We also plan to advance our AI machine vision control and edge computing technologies, enabling our products to understand environments more deeply through object, behavior, scene, and intention perception. By optimizing vision-language models for local deployment, we aim to apply these technologies to our current and future products such as SwitchBot AI hubs and AI companion robot, aiming at supporting over 100 home visual-language tasks while protecting user privacy through edge computing. Our advanced development will upgrade environmental understanding from basic object recognition to intention prediction through temporal-spatial behavioral modeling, while transitioning from network-based processing to complete local edge computing for enhanced operational efficiency.

- *Cost-effective robotic grasping/manipulation for household tasks*. We plan to create cost-effective robotic grasping and manipulation technologies for household tasks, including mechanical arm and hand modules with sophisticated control algorithms. These technologies will be applied to our humanoid chore robots, making advanced robotic capabilities more accessible for everyday home use.

In addition, we plan to focus our R&D efforts to enhance and expand our product portfolio into the following categories:

- *VLA model-based humanoid chore robot*. We intend to develop a VLA model-based humanoid chore robot that integrates perception, language understanding, and action execution to perform various household tasks, including organizing items and folding clothes. This robot will feature semantic navigation capabilities and adapt to dynamic environments through sensor feedback. While our existing VLA technology provides essential perception-decision capabilities, our advanced development will enable comprehensive household task execution through semantic mapping and end-to-end task decomposition, transforming natural language instructions into complete three-dimensional spatial action sequences for dynamic household environments.

- *AI companion robots*. We also plan to develop AI companion robots with enhanced interaction capabilities to serve as lifestyle assistants and entertainment hubs for homes. These robots will combine advanced natural language processing with emotion recognition and personalized user interaction models. Designed with friendly, approachable aesthetics, these companion robots will fulfill both practical assistant functions and emotional companionship roles while serving as central control points for other SwitchBot devices.

- *Enhanced perception and decision-making systems*. We plan to develop expanded ranges of smart hubs, smart sensors and smart cameras to provide more comprehensive environmental awareness and perception and decision-making capabilities for our ecosystem. Our next-generation smart hubs will feature enhanced edge computing capabilities, enabling more sophisticated local processing of sensor data. We will develop specialized environmental sensors targeting specific home health concerns and expand our smart camera line with models offering more advanced computer vision capabilities.

Through these strategic R&D initiatives, we aim to strengthen our position as a leader in the home robotic systems market and deliver innovative products that address our customers' evolving needs.

Such initiatives will be funded, in part, from the net proceeds of the Global Offering. For further details, please see "Future Plans and Use of Proceeds" in this prospectus.

Furthermore, we plan to establish strategic partnerships with leading universities and research institutions to complement our internal R&D capabilities and access specialized expertise. These collaborations will focus on fundamental research areas aligned with our long-term technology roadmap, including control algorithms, advanced robotics technology, human-machine interaction technology, and materials technology. We will implement various collaboration models, including sponsored research projects and joint research initiatives.

Strengthen market position and expand global reach

We are committed to expanding our market presence in established regions while strategically entering new markets with significant growth potential. Our comprehensive strategy focuses on increasing product penetration, optimizing sales channels, and building strong brand recognition across diverse markets. We will implement targeted approaches tailored to the unique characteristics of each market to maximize our global footprint and drive sustainable growth.

Increase market penetration and enhance brand awareness

We aim to deepen market penetration of our existing products while strengthening our brand recognition through a comprehensive approach that enhances marketing effectiveness, optimizes sales channels, and improves customer engagement. We will leverage both digital and physical touchpoints to educate end consumers about our innovative products and solutions and drive adoption across different market segments.

We plan to enhance targeted marketing initiatives across key markets and demographics by implementing more focused campaigns that address specific user segments and use scenarios. Our content marketing will highlight practical applications of our products in solving everyday problems in home living scenarios, showcasing real user experiences and testimonials. We plan to create scenario-based short videos demonstrating our products in high-usage situations such as elderly care and pet-friendly households. Our brand promotion strategy also includes sponsoring industry exhibitions and technology summits, and engaging in community activities that reinforce our brand associations with "efficient intelligent living" (高效智能生活) and "life improvement through robotics" (機器人改善家庭生活). We will expand our influencer collaborations beyond technology specialists to include lifestyle and home security content creators, enhancing credibility through authentic user testimonials.

In addition, we will systematically enhance our product visibility and consumer conversion rates across e-commerce platforms where the majority of our sales occur. This includes optimizing product listings with improved content, enhanced imagery, and more compelling demonstrations of product functionality and benefits. We will develop advanced search engine optimization strategies specifically tailored for e-commerce platforms to ensure our products appear prominently in relevant search results. We will also implement more sophisticated advertising campaigns on these platforms, utilizing data analytics to target high-potential customers with tailored messaging.

To overcome barriers to adoption and strengthen our brand recognition, we will establish offline experience stores in core commercial districts of key cities, enabling potential customers to interact with our products and receive expert guidance from trained staff in real time. We will develop comprehensive product education materials and demonstration programs, including enhanced video tutorials, interactive product guides, and virtual demonstration experiences that clearly communicate product value. For our retail partners, we will implement specialized in-store demonstration fixtures and provide additional training to retail staff to effectively showcase our products' functions and features. We will also establish experience zones with time-limited promotions in partnership with key retailer channels, collaborate with major retailers covering mainstream home appliance stores, and develop localized distribution networks in our target markets. These initiatives will address common barriers to purchase by demystifying home robotic systems and highlighting simple installation and operation processes.

Furthermore, we plan to boost the number of SwitchBot products per household by developing targeted cross-selling and upselling initiatives. Our strategy will include personalized product recommendations on our SwitchBot App that highlight complementary products based on customers' existing purchases, bundle offerings that provide value incentives for multiple product purchases, and loyalty rewards that encourage ecosystem expansion. These initiatives will be supported by in-App features that demonstrate how additional products enhance the overall home living experience. Likewise, we intend to implement more sophisticated pricing strategies which include developing tiered pricing structures that provide entry-level options for first-time buyers while offering premium features at higher price points.

Strengthen sales in key markets and expand into new regions

We plan to enhance our market presence in our established markets while strategically expanding into new regions with significant growth potential. We will tailor our approach to each market's unique characteristics, consumer preferences, and competitive landscape to maximize our impact and drive sustainable growth.

As our most established market, we will focus on deepening our presence in Japan by leveraging our strong brand recognition and extensive retail network. To consolidate our market leading position, we plan to strengthen our online channels through increased advertising investments on platforms such as Amazon, while optimizing our flagship store operations. We also plan to introduce extended warranties and insurance with the aim to improve customer retention. For offline channel enhancement, we will collaborate with retailer partners to optimize store layouts, train professional sales staff, and increase subway advertising in major cities to target commuters and enhance brand visibility. Our strategy also includes optimizing the supply chain to improve maintenance efficiency and reduce product return costs. We will expand our product portfolio with offerings specifically designed for the Japanese market, such as more compact enhanced mobile robots optimized for smaller homes that are prevalent in the Japanese market. Additionally, we plan to increase investments in in-store marketing displays, as end consumers frequently make purchasing decisions while shopping in stores.

For Europe, we intend to pursue a more focused expansion strategy, prioritizing key markets such as Germany and the United Kingdom where we have already established initial footprint and success. We aim to build awareness and establish market leadership through products tailored to local preferences, with initial emphasis on our dexterous hand-mimic robots before introducing our full product range. Our plans include deploying targeted advertisements on various online platforms across multiple countries and enhancing our after-sales service to improve consumer experience. The strategy encompasses digital campaigns featuring key opinion leaders and specialized media outlets to build credibility among tech-savvy end consumers.

We will enhance and expand our presence in the North American market, which represents our largest potential growth opportunity given its size and end consumers' strong adoption of home robotic technologies. This includes intensifying our digital marketing efforts through online advertisements, enhancing search engine optimization for our self-operated website, and collaborating with technology influencers for product reviews and demonstrations. Our approach involves tailoring product offerings to meet the preferences of end consumers in North America for larger homes and more powerful devices with multiple functions, while highlighting our ecosystem integration capabilities.

Our strategy also incorporates distinct channel approaches optimized for each regional market's unique characteristics. In Japan, we will continue to emphasize our strong retail partnerships while expanding DTC initiatives. For Europe, we plan to adapt our approach to each country's local retail landscape, with greater emphasis on specialized electronics retailers and regional e-commerce platforms. In North America, we intend to pursue a balanced approach across e-commerce platforms, national and specialty retailers, and mass-market stores, with a particular focus on expanding our Amazon presence and deepening relationships with key big-box retailers. Additionally, we plan to strategically expand into emerging markets facing aging population challenges and high labor costs, such as Hong Kong, Singapore and Australia, where our products can address significant social and economic needs.

Our strategy to strengthen market position and expand global reach will be funded, in part, from the net proceeds of the Global Offering. For further details, please see "Future Plans and Use of Proceeds" in this prospectus.

Continue to expand our customer base to attract corporate and institutional customers

We plan to expand our customer base by targeting corporate and institutional customers in commercial settings such as elderly care facilities, hotels, and service-oriented establishments where our home robotic system products can enhance operational efficiency and service quality. We are exploring potential corporate and institutional customers, offering our core products configured as comprehensive solutions for targeted commercial applications.

Following successful market penetration, we intend to develop a subscription-based business model offering solutions where customers will pay recurring fees rather than purchasing individual products, allowing lower initial capital expenditure while generating stable revenue streams for us. This approach will leverage synergies within our product ecosystem, as corporate customers typically require integrated solutions with multiple interconnected devices working seamlessly together, unlike end consumers who may purchase single products for specific needs.

Our subscription model will provide customers with comprehensive services including, among others, initial system configuration, regular maintenance, automatic software updates, hardware upgrades, and dedicated technical support. We believe this strategy will establish predictable recurring revenue streams to complement our existing consumer sales while enabling deeper customer relationships that will provide valuable commercial application insights to inform our product development roadmap and maximize market reach across diverse revenue streams.

Pursue strategic acquisitions/investments to enhance our technology ecosystem

In addition to organic growth, we also plan to pursue sustainable growth through equity investment that complement our existing operations and strengthen our market position. We will focus on identifying, acquiring and/or investing in companies with synergies to our business, particularly those that are complementary to our proprietary ecosystem or upstream suppliers with technical advantages in the robotics value chain. Our acquisition and/or investment strategy will prioritize targets that offer proprietary core technologies, strong integration potential, and clear competitive advantages that can enhance our product offerings and market reach. Through these strategic initiatives, we aim to accelerate our technological development, expand our product development capabilities, and create value for our shareholders. As of the Latest Practicable Date, no acquisition or investment target has been identified. We plan to fund this strategy entirely from our internal cash resources.

OUR BRAND AND PRODUCTS

Overview

During the Track Record Period and as of the Latest Practicable Date, we offered a wide range of products under multiple categories, primarily consisting of (i) home robotic system products, which include execution-enhanced robots and perception and decision-making systems; and (ii) other smart home products and services. Our products are offered under the brand names SwitchBot and Acemate. Our users can interact with our products at any time primarily through our SwitchBot App to address their diverse home living needs, enabling our products to generate effective real-time interactions. As of the Latest Practicable Date, we had a total of seven product categories of home robotic system products with 47 SPUs.

The following table sets forth the revenue, sales volume and ASP by product category for the periods indicated:

	For the year ended December 31,									For the six months ended June 30,		
	2022			2023			2024			2025		
	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]	Revenue	Sales Volume	ASP[(1)]
	RMB'000		*RMB*	*RMB'000*		*RMB*	*RMB'000*		*RMB*	*RMB'000*		*RMB*
Home Robotic System Products	**229,146**	**1,800,356**	—	**416,334**	**2,116,673**	—	**546,960**	**2,402,756**	—	**348,845**	**1,217,071**	—
Execution-enhanced Robots	139,896	771,408	—	255,091	907,485	—	347,869	971,085	—	237,735	547,552	—
— Dexterous Hand-mimic Robots	139,896	771,408	—	198,345	877,620	—	237,579	918,500	—	173,623	522,973	—
— Lock robots	58,689	259,831	226	78,582	277,589	283	112,904	334,578	338	102,591	236,610	434
— Curtain robots	40,643	163,030	249	76,973	260,150	296	82,782	296,485	279[(4)]	43,717	135,223	323
— Finger robots	40,053	348,547	115	42,251	339,881	124	36,329	287,437	126	20,321	151,140	134
— Related accessories[(2)]	511	—	—	539	—	—	5,564	—	—	6,994	—	—
— Enhanced Mobile Robots	—	—	—	56,746	29,865	—	110,290	52,585	—	64,112	24,579	—
— Multitasking household robots	—	—	—	54,200	29,865	1,815	107,524	52,585	2,045	48,293	24,579	1,965
— Related accessories[(2)]	—	—	—	2,546	—	—	2,766	—	—	15,819	—	—
Perception and Decision-making Systems	89,250	1,028,948	—	161,243	1,209,188	—	199,091	1,431,671	—	111,110	669,519	—
— Smart hubs	32,903	407,861	81	95,766	523,877	183	115,826	596,102	194	52,834	215,872	245
— Smart sensors	33,224	480,434	69	41,878	573,507	73	61,126	731,007	84	41,336	390,798	106
— Smart cameras	21,544	140,653	153	23,094	111,804	207	21,799	104,562	208	16,551	62,849	263
— Related accessories[(2)]	1,579	—	—	505	—	—	340	—	—	389	—	—
Other Smart Home Products and Services[(3)]	**45,451**	—	—	**40,930**	—	—	**62,964**	—	—	**47,449**	—	—
Total	**274,597**	**1,800,356[(5)]**	—	**457,264**	**2,116,673[(5)]**	—	**609,924**	**2,402,756[(5)]**	—	**396,294**	**1,217,071[(5)]**	—

Notes:

(1) ASP is calculated by dividing the revenue generated by a product by its sales volume. Since our products are sometimes sold in bundles with discounts, the average selling price may not accurately reflect the average selling price of our bundled offerings. The ASPs presented in the above table for the Track Record Period are generally lower than the retail price range of our products as of the Latest Practicable Date. This variance is primarily attributable to our continuous product iteration during the Track Record Period and up to the Latest Practicable Date, as we introduced advanced new models with higher retail prices while phasing out simpler and outdated models.

(2) We believe sales volume and ASP for accessories are not meaningful metrics for analysis because these items are primarily consumables or complementary components sold in high volumes at relatively low-price points, unlike our core products which are sold on a unit basis. The accessories' revenue contribution is ancillary to our main product lines, and their purchase patterns are typically driven by replacement cycles or bundled with primary device purchases rather than representing distinct consumer adoption trends.

(3) Other smart home products and services primarily include the revenue generated from the sales of smart light tools, smart power tools and smart home appliances and cloud storage services.

(4) The ASP of our curtain robots decreased in 2024 because we strategically chose to offer more competitive product pricing while maintaining high gross profit margins.

(5) The sales volume only reflects the sales volume of our home robotic system products, excluding relevant accessories.

The following table sets forth a breakdown of our revenue by bundled and non-bundled deal for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Bundled deal . . .	43,438	15.8	115,163	25.2	141,649	23.2	71,910	26.1	105,360	26.6
Non-bundled deal	231,159	84.2	342,101	74.8	468,275	76.8	203,111	73.9	290,934	73.4
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Home Robotic System Products

Execution-enhanced Robots

Execution-enhanced robots primarily mimic human limb movements to achieve physical interaction, representing the action execution part of the home robotic systems. Our execution-enhanced robots can perform human-like actions and, through various product combinations, accomplish more complex functions, taking on basic tasks in home living scenarios.

According to the Frost & Sullivan Report, execution-enhanced robots are divided into two main categories by function: (i) dexterous hand-mimic robots that simulate "finger" and "wrist" movements through pressing, pulling, and rotating actions, which include lock robots, curtain robots and finger robots; and (ii) enhanced mobile robots that combine various functions and mimic human "foot" movement and can perform various composite functions through different product combinations, such as cleaning (including sweeping and mopping), air purification, evaporative humidification (automatic water refill), mobile delivery and dynamic monitoring, as well as certain sports activities such as tennis.

We have strategically designed our product ecosystem to build a comprehensive array of products that replicate human capabilities. Our curtain robot, finger robot, and lock robot product categories represent "hand" functions, while certain of our enhanced mobile products, perform "foot" functions, which serve as the foundation for our enhanced mobile robots and their combinations.

Dexterous Hand-mimic Robots

Lock Robots

Our lock robots offer secure and intelligent home access by retrofitting onto existing deadbolts, allowing users to convert traditional locks into smart locks without replacing the entire mechanism. First launched in 2021, we currently offer three models: SwitchBot Lock, SwitchBot Lock Pro, and SwitchBot Lock Ultra. Our flagship SwitchBot Lock Ultra is compatible with various door configurations, including different deadbolt types and European lock variants. When paired with accessories offered by us such as a keypad touch or a keypad vision, it provides multiple unlocking methods, including facial recognition, NFC, and voice commands. Connected to our smart hubs, users can monitor access history, lock status, and battery levels in real-time through the SwitchBot App. Our flagship model also incorporates important security features, including auto-locking functionality, encrypted communications, and real-time tampering alerts to enhance residential security. As of the Latest Practicable Date, the retail price range of our lock robots was from approximately RMB462 to approximately RMB1,548 per unit.

Curtain Robots

Our curtain robots automate window treatments by mimicking human hand movements. First launched in 2020, we currently offer SwitchBot Curtain and SwitchBot Blind Tilt. Our latest model, SwitchBot Curtain 3, features simple installation to transform ordinary curtains into smart ones, compatible with mainstream curtain tracks and supporting curtains of various weights. The design emphasizes quiet operation for an unobtrusive user experience. When integrated with our smart hubs, our latest model enables multiple control options through the SwitchBot App, including opening/closing, percentage adjustments, and custom schedules. As of the Latest Practicable Date, the retail price range of our curtain robots was from approximately RMB359 to approximately RMB967 per unit.

Finger Robots

Our finger robot is a smart button pusher that mimics finger clicking movement to make existing devices such as coffee machines, air conditioners, and garage doors smarter. First launched in 2017, it features quick installation and extended battery life. When paired with our smart hubs, it enables scheduled automatic operations and real-time remote control through our SwitchBot App, extending the functionality of conventional non-smart devices. As of the Latest Practicable Date, the retail price range of our finger robots was from approximately RMB205 to approximately RMB290 per unit.

Enhanced Mobile Robots

Our enhanced mobile robots mimic human "foot" movement and perform a variety of composite functions through different modular product combinations, including cleaning (sweeping and mopping), air purification, evaporative humidification with automatic water refill, mobile delivery and dynamic monitoring, as well as certain sports activities. These robots include multitasking household robots, which comprise SwitchBot K Series and SwitchBot S Series and sports robots, such as Acemate, an AI tennis robot. As of the Latest Practicable Date, the retail price range of our SwitchBot K Series and SwitchBot S Series was from approximately RMB2,564 to approximately RMB7,738 per unit. We commenced pre-sales of Acemate in May 2025, and the first batch was officially shipped in the fourth quarter of 2025. As of the Latest Practicable Date, the retail price range of Acemate was approximately RMB11,515 to RMB17,996 per unit. We adopted a differentiated pricing strategy, under which more competitive prices were offered in selected markets to facilitate rapid market entry.

Multitasking Household Robots

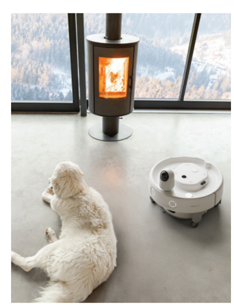
SwitchBot K Series

The SwitchBot K Series emphasizes compatibility and accessibility. Our bestselling model, the SwitchBot K10+, features a compact design that enables efficient navigation in tight spaces and beneath furniture. The next generation SwitchBot K10+ Pro delivers effective suction with extended battery life and a dust collection base that minimizes maintenance requirements. Currently, we offer SwitchBot K20+ Pro, an advanced model that further leverages this compact design to work collaboratively with other SwitchBot products through built-in multifunctional ports and mounts. When paired with accessories like air purifiers, or fans, it can provide mobile air purification, security monitoring, or targeted cooling throughout the home, exemplifying our approach to distributed robotic functionalities.


Vacuum Expert


Delivery Expert


Self-moving Screen


Monitoring Guard


Air Cleaning Expert

SwitchBot S Series

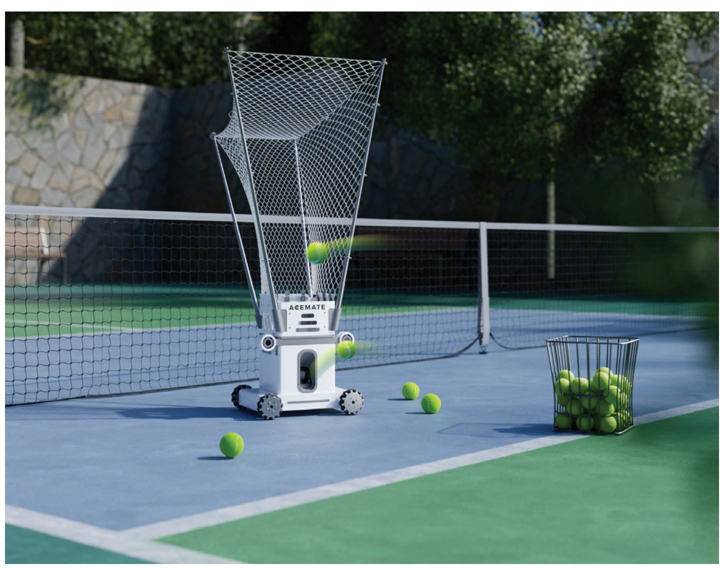
The SwitchBot S Series provides comprehensive automated cleaning solutions, embodying our concept of a multitasking household robot. The SwitchBot S Series features (i) an auto-empty and dry station that automatically empties collected waste and uses hot air to dry the mop, preventing the growth of mold and bacteria; and (ii) a separate water station that connects directly to a household's plumbing to automatically refill the robot with clean water and drain its used water, significantly reducing the need for manual intervention. This advanced water management system allows the S10 model to function as a "water carrier" within a home, enabling it to perform additional tasks such as automatically refilling our compatible humidifier. The S10 also performs simultaneous vacuuming and mopping with automated surface detection capabilities. The latest model, SwitchBot S20, incorporates AI-powered navigation with an advanced camera system for obstacle recognition and laser technology for precise mapping. It features enhanced suction power and continuously maintains the cleaning apparatus during operation, automatically adapting to different floor surfaces by adjusting its cleaning mode. Both models integrate with our wider ecosystem through the SwitchBot App for customized cleaning schedules and remote operation.

Sports Robots

Acemate

In May 2025, we launched Acemate, an AI tennis robot. Acemate is designed to replicate human-like rallies, enabling an immersive and interactive practice session without a human partner or coach. It is equipped with an advanced perception system, featuring 4K Ultra-HD dual cameras and AI algorithms, to detect a player's position, racquet speed, and ball trajectory. This allows for precise 3D tracking and real-time shot analysis with centimeter-level accuracy and millisecond-level reaction time, which it uses to dynamically plan return shots with various speeds and power. Users can connect to Acemate via mobile devices using Bluetooth to customize practice sessions through our intuitive app, and one charge typically allows a user to enjoy up to three hours of uninterrupted, seamless practice.

Acemate's hardware platform is built for robust performance on various court surfaces, including hardcourt, clay, and grass, utilizing omnidirectional 4X mecanum wheels for agile movement. Building on these capabilities, we plan to further introduce a value-added AI Coach service in the future. This service will leverage Acemate's powerful dual-camera system to observe and analyze a player's biomechanics and performance patterns during practice. The analysis will cover key player movements, such as degree of knee flexion, center of gravity movement, and maximum swing distance. The AI Coach will then analyze and generate personalized performance reports that assess the player's progress and provide recommendations to help them improve their form, technique, and overall skill. We intend to offer this service through a monthly subscription model.



During Track Record Period, all our execution-enhanced robots are integrated into our ecosystem and can be controlled via our SwitchBot App. In addition, through our smart hubs as described below, users can also control their products via major third-party voice assistants, such as Amazon Alexa, Google Assistant, and Apple Home. With our smart hubs that are Matter-enabled, users can integrate our products with major third-party smart home platforms, such as Apple HomeKit. For details of our smart hubs, please refer to the section headed "— Perception and Decision-making Systems — Smart Hubs" in this section.

Perception and Decision-making Systems

Our perception and decision-making systems simulate human "brain," "eye", and "skin" functions for household applications, utilizing AI technology to achieve interconnectivity among various products in home scenarios. Our execution-enhanced robots are designed to achieve intelligent functionality through integration with perception and decision-making systems. As the intelligent control part of our home robotic system, these perception and decision-making systems constantly monitor changes in users' home living environment and make analytical decisions, driving execution-enhanced robots to complete corresponding tasks. Acting as the "nervous system" of a smart home, these systems improve environmental interaction through spatial semantic understanding, enhance risk prevention with integrated safety sensors, and optimize service by constructing user behavior models to align robot usage with household routines. According to the Frost & Sullivan Report, perception and decision-making systems are divided into perception products and intelligent hubs. Perception products include smart cameras and smart sensors, serving as human-like "eyes" and "skin." Intelligent hub products function as the "brain" of the system, achieving interconnectivity and coordinated control among multiple devices through communication network technology, large model technology, and local computing capabilities. Below are the details of our key perception and decision-making system product categories:

Smart Hubs

Our smart hubs, first launched in 2019, function as the central "brain" of our ecosystem. These devices coordinate the activities of our various robotic products, enabling them to work together as an integrated system rather than as isolated devices. Our current lineup includes multiple models.

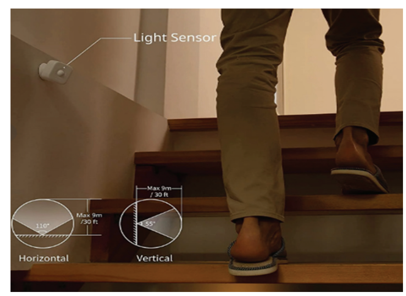
The smart hubs utilize multiple wireless communication standards to connect SwitchBot products, creating a unified network where information flows seamlessly between devices. It allows distributed robotic components to share data and coordinate responses. Through our SwitchBot App, the smart hub enables automated home management based on environmental conditions, user preferences, and scheduled routines. For example, the system can automatically activate our enhanced mobile robots when dust is detected, adjust curtain robots based on sunlight levels, or coordinate lock robots with user arrival patterns. This intelligent coordination transforms individual robots into a cohesive home management system that responds to household needs with minimal user intervention. In May 2025, we launched SwitchBot AI Hub which integrates large-scale, pre-trained language models with edge computing, enabling multi-source perception and autonomous decision-making in multiple scenarios. As of the Latest Practicable Date, the retail price range of our smart hubs was from approximately RMB205 to approximately RMB2,515 per unit.

Smart Sensors

Our smart sensors, functioning as the "skin" of our home robotics ecosystem, detect environmental changes, including temperature, humidity, water leaks, and movement. When paired with our smart hubs, they input data into our SwitchBot ecosystem to facilitate decision-making. Our smart sensors include thermo-hygrometers that monitor environmental conditions with real-time alerts and data storage capabilities; water leak detectors that identify water issues and send remote alerts; contact sensors that monitor door and window openings; and motion sensors that detect movement with integrated light sensing for automated lighting responses. As of the Latest Practicable Date, the retail price range of our smart sensors was from approximately RMB86 to approximately RMB583 per unit.

Temperature and Humidity Sensor

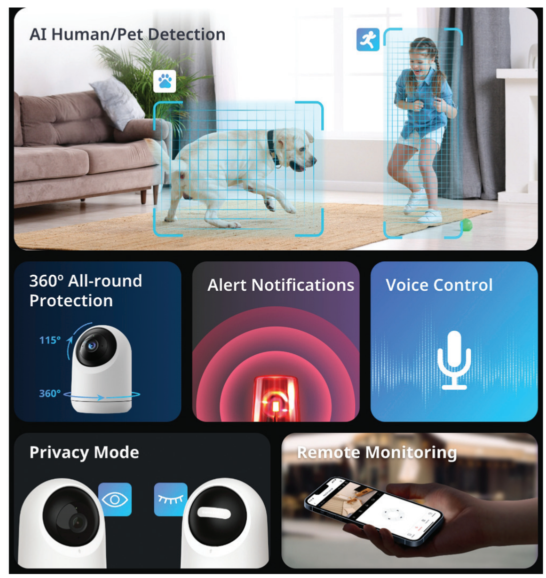
Contact Sensor



Motion Sensor

Smart Cameras

Our smart cameras, first launched in 2021, function as the "eye" of our home robotics ecosystem and are essential to visual detection and home security. Our main smart cameras lineup includes the SwitchBot Outdoor Spotlight Cam with AI-powered detection systems that distinguish between human and pet movements to minimize false alerts, and the SwitchBot Pan/Tilt Cam that provides comprehensive coverage with motion detection capabilities. Both categories offer real-time two-way communication functionality with built-in microphones and speakers. As of the Latest Practicable Date, the retail price range of our smart cameras was from approximately RMB195 to approximately RMB967 per unit.



Other Smart Home Products and Services

In addition to our core home robotic systems, we offer complementary smart home products that enhance our ecosystem's functionality. These products include smart light tools such as the SwitchBot Color Bulb, smart power tools such as the SwitchBot Plug Mini for remote appliance control and energy monitoring, and smart home appliances such as air purifiers, humidifiers, and circulator fans that can be mounted on our enhanced mobile robots.

We also provide various accessories that extend the capabilities of our main product categories, including cleaning supplies, power solutions, smart home control accessories, and security add-ons. We offer carefully curated product bundles at discounted prices, providing integrated solutions for specific home scenarios. Popular combinations include our curtain robot and smart hub for window automation, and security-focused packages combining our lock robot with keypads and smart sensors.

Moreover, we offer cloud storage services to end consumers who subscribe to our plans. These services enable end consumers to utilize digital archiving capabilities for footage captured by our smart cameras. Our flexible pricing model includes both monthly and annual subscription options, coupled with tiered support based on the number of connected devices, allowing us to accommodate the diverse needs of the end consumers. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we had 1,973, 3,484, 7,227 and 10,459 subscribers of our cloud storage services, respectively.

Products Under Development

We are continuously expanding our product portfolio and technological capabilities. The following are the key products currently under development which we plan to launch/sell soon.

AI Companion Robot

The AI companion robot was officially launched at IFA Berlin in September 2025 and is currently undergoing production optimization. Designed as an autonomous, mobile companion robot for households, it serves as a pet-like companion for families seeking emotional interaction without the burdens associated with keeping live animals. Equipped with a multi-modal perception system, the robot is capable of understanding and interacting with its surroundings and users.

Its visual system is designed to recognize users' facial expressions, identities, gestures, and body movements, while its auditory system is intended to locate the direction of sound sources and interpret voice commands. In addition, the robot incorporates tactile sensors to perceive touch gestures and holding movements.

Through an embedded emotional interaction engine, the robot enables deep, companion-like interaction by means of dynamic eye displays, emotionally expressive vocal outputs, and life-like movements of its head, ears, and limbs. The robot's technical architecture integrates a perception layer that utilizes multi-source data from cameras and LiDAR, a decision-making layer driven by an embedded large model supported by edge computing, and an execution layer built upon a biomechanical structure designed to deliver realistic feedback.

Humanoid Chore Robot

We plan to introduce our first humanoid household robot, the H1, in January 2026. Designed as a lightweight robot, the H1 is positioned to address complex household chores that existing home robotic systems are unable to manage effectively. Key application scenarios for the H1 are expected to include sorting and organizing laundry, cleaning and storing tableware after meals, and assisting with meal preparation.

The hardware platform of the H1 focuses on a standardized and cost-efficient architecture and is equipped with our self-developed single-arm manipulator that has seven degrees of freedom (representing seven independent joint movements). For mobility and environmental perception, the H1 is equipped with a high-precision mobile chassis that integrates LiDAR and line laser sensor technologies to enhance movement and environmental understanding.

By integrating AI-enabled machine vision with robotic positioning and environmental-mapping technologies, we aim for the H1 to continuously enhance its task accuracy, operational precision, and cross-scenario generalization capability through ongoing data acquisition and algorithmic optimization.

Multi-level Robot Task Architecture Used for Our Products

Hierarchical System Architecture and Processing Layers

Our ecosystem is built on a multi-level robot task architecture that enables comprehensive deployment of home robotic systems across diverse living scenarios. This architecture follows a hierarchical structure that processes information from environmental perception to physical execution.

The foundation of our architecture is the perception system, serving as the sensory input for the entire ecosystem. This layer continuously collect real-time data from the home environment. These devices capture comprehensive information including temperature, humidity, motion, occupancy, light levels, air quality, sound, and visual data. This rich data stream provides the essential environmental awareness that enables contextual understanding of the home space.

Building upon this environmental data, the "brain" of our system handles high-level abstraction, reasoning, and decision-making. This central intelligence understands and imagines scenarios to formulate overarching plans and generate high-level strategies. By processing the rich input from the perception layer, the brain component analyzes patterns, identifies user preferences, and makes predictive judgments about optimal home conditions. This component orchestrates the overall behavior of the system, determining which devices should be activated and how they should coordinate to achieve desired outcomes.

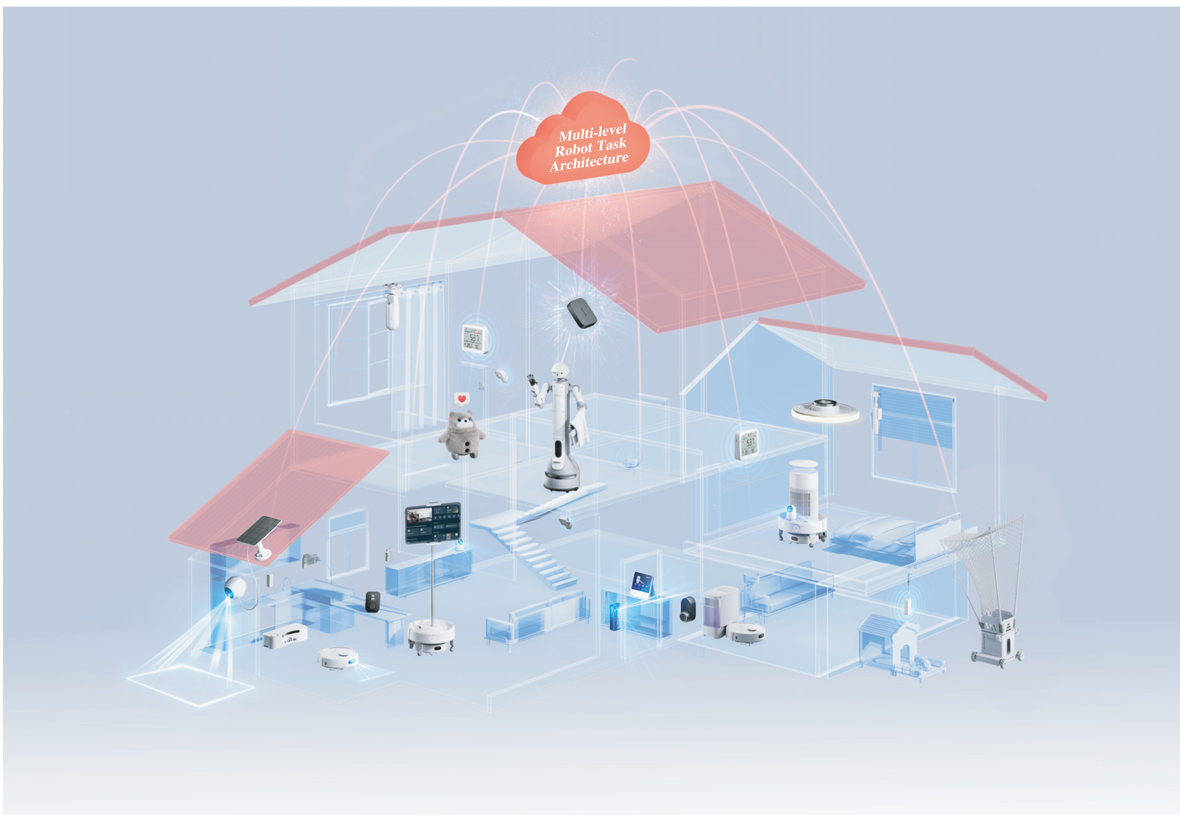
The edge computing layer translates these high-level strategies into specific implementation plans. Utilizing VLA, vertical AI model, or combinations of both, this layer is responsible for specific task execution and optimization with the ability to generalize across various scenarios and environments. It is responsible for generating intermediate results, optimizing task execution, and managing dynamic changes in the environment throughout the task execution process, enabling accurate task performance in both structured and unstructured environments.

Within individual devices, on-device AI executes specific tasks and provides feedback to higher levels. Leveraging reinforcement learning and imitation learning, this component possesses the ability to generalize to various objects, such as controlling a dexterous hand to grasp objects. Deployed directly on terminal devices, this layer adapts general instructions to the specific capabilities of individual units, ensuring optimal execution while continuously learning from performance outcomes.

At the physical execution level, robot body control algorithms manage the precise movements of our devices. These algorithms, including SLAM, motion planning, and motion control, implement traditional robotic functions such as localization and mapping, path planning and navigation, as well as kinematics and dynamics. These foundational controls enable our robots to move effectively within specific environments, providing the physical capabilities that transform digital instructions into real-world actions.

This comprehensive multi-level architecture spans all stages of smart home operation from sensing to analysis to implementation. Our home robotic systems analyze environmental data in real-time, achieve cross-device semantic understanding, and autonomously coordinate intelligent devices to form dynamic operational networks that adapt to user habits and environmental conditions. This integrated approach enables sophisticated home automation that truly responds to and anticipates household needs, redefining the intelligence of living spaces.

The following diagram illustrates the intelligent interconnectivity of our full range of products and how they function together across multiple home living scenarios:

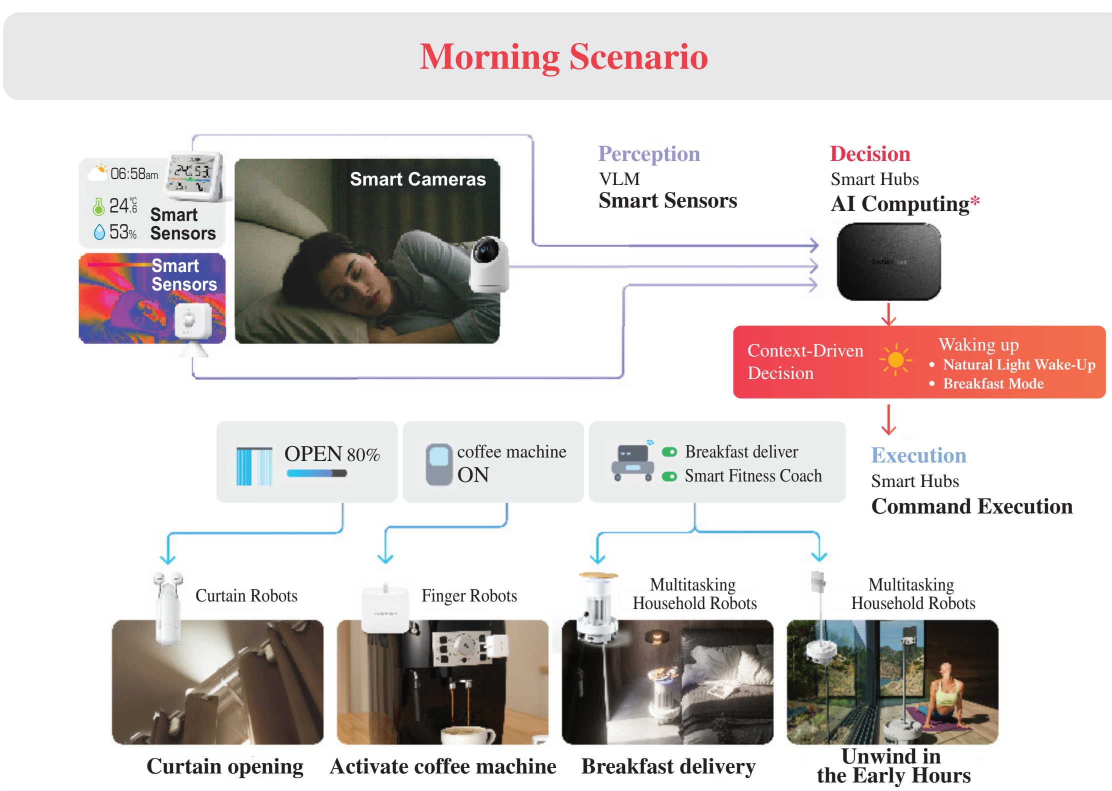


Multi-level Robot Task Architecture in Action

Our multi-level robot task architecture enables our home robotic system to function as a cohesive, intelligent ecosystem that responds to user needs throughout the day. The following scenarios demonstrate how our integrated architecture processes information from environmental perception to physical execution in real-world situations.

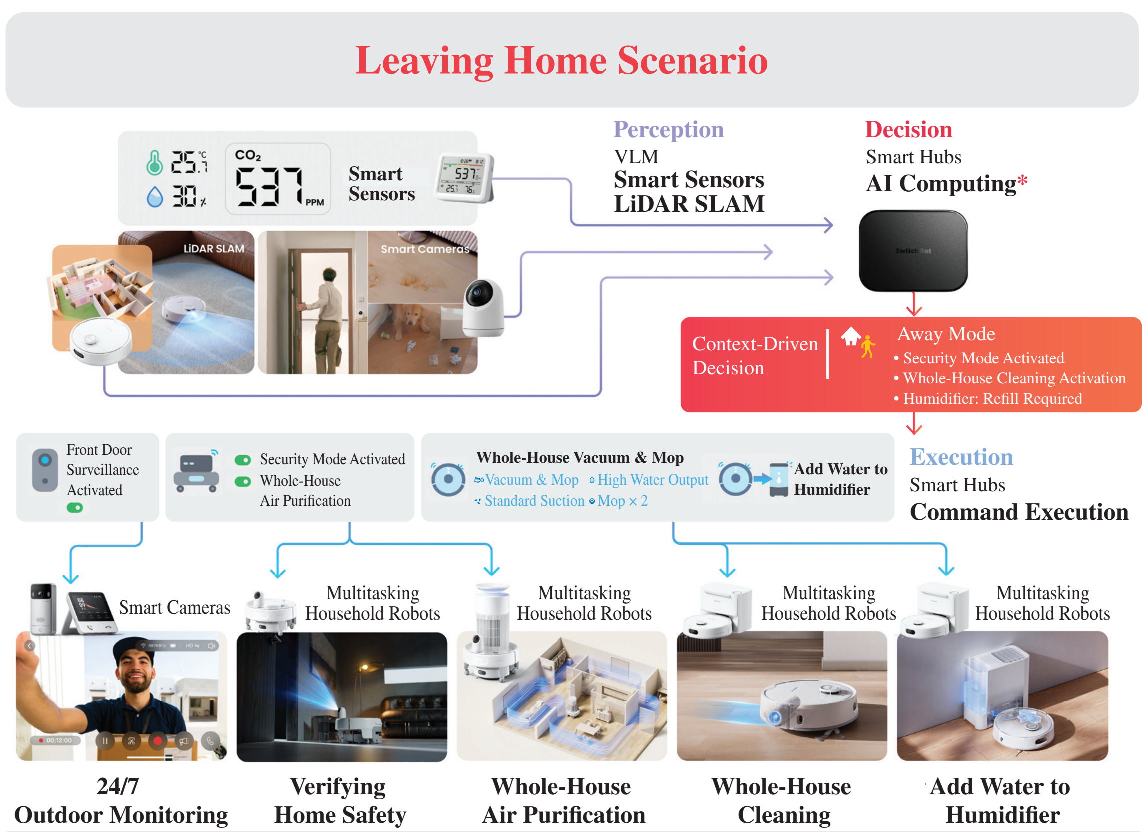
Morning Routine Enhancement

Our smart sensors and smart cameras detect changes in ambient light and the user's sleep patterns via bedside sensors. This information flows to our smart hub, which recognizes the optimal wake-up conditions based on learned user preferences. The smart hub then coordinates a sequence of morning activities across all connected devices. The curtain robots receive instructions to open to 80%, allowing natural light to gently fill the room while maintaining privacy. Simultaneously, finger robots activate the coffee machine in the kitchen, preparing the user's preferred morning brew. As the user begins their morning routine, our multitasking household robots deliver breakfast to coincide with the completion of morning exercises. This orchestrated sequence transforms the often-chaotic morning routine into a seamless, supportive experience that prepares the user optimally for the day ahead. The following diagram illustrates how our products enhance user's morning routine.



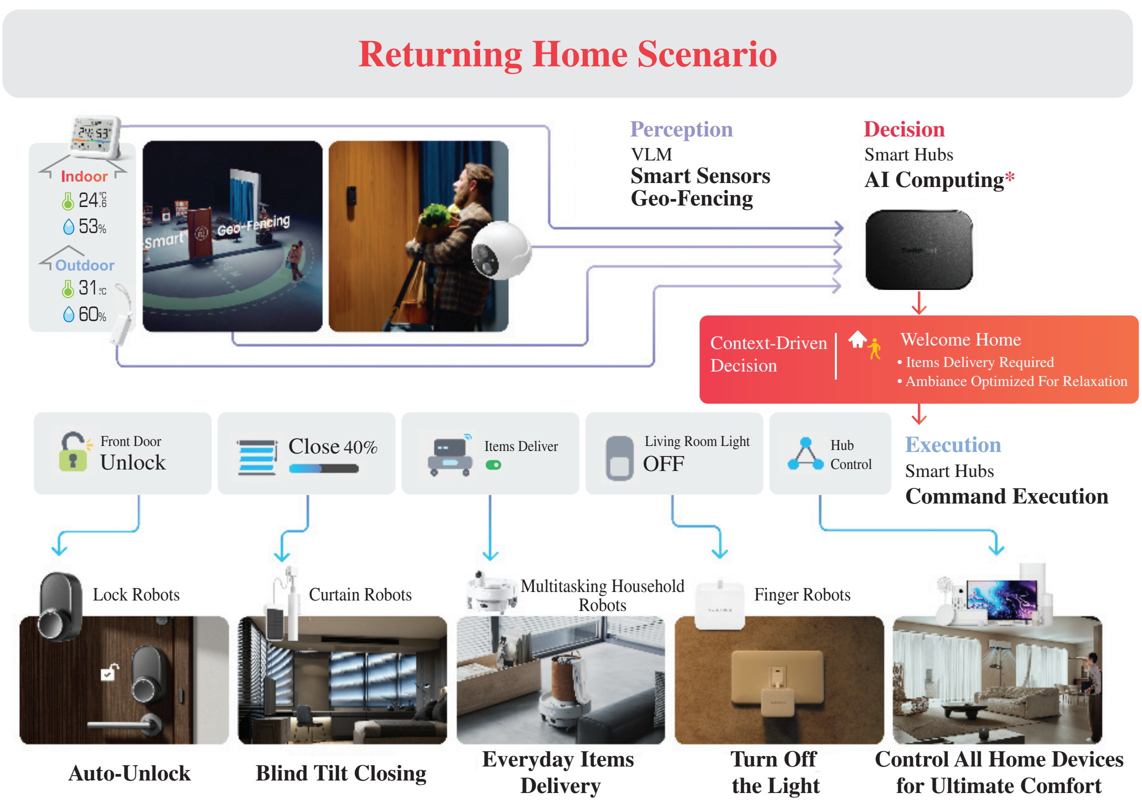
Home Security and Maintenance During Absence

When smart sensors and smart cameras detect that all residents have left the home and geofencing confirms departure from the vicinity, the smart hub transitions the system to away mode. The smart hub evaluates home conditions and outstanding maintenance needs, prioritizing tasks based on urgency and resource availability. Smart cameras and smart sensors activate enhanced security protocols, with continuous outdoor monitoring and alerts configured for any unusual activity. Inside, multitasking household robots begin a comprehensive cleaning cycle, using LIDAR SLAM technology combined with visual input to navigate efficiently through the home, while the smart hub activates mounted air purifiers to maintain optimal air quality and signals humidifiers to be checked and replenished as needed to maintain appropriate humidity levels. Throughout the absence, the system continuously monitors home conditions through the smart hub, maintaining vigilant security, ensuring the home remains safe, clean, and comfortable for the residents' return. The following diagram illustrates how our perception and decision-making systems improve home security during user's absence from home.



Personalized Welcome Experience

As the user approaches home, smart sensors and smart cameras alert the smart hub of their imminent arrival. The smart hub evaluates current home conditions, time of day, weather, and learned preferences to create an optimal welcome environment, then coordinates a sequence of preparatory actions across all connected devices. Lock robots automatically unlock the front door as the resident approaches, eliminating the need to search for keys. Inside, curtain robots adjust to 40% closure, balancing natural light with privacy as evening approaches. Finger robots turn on essential lighting at appropriate brightness levels for the time of day. Multitasking household robots deliver everyday items the user might need upon arrival, based on learned preferences. The entire home environment adjusts through the smart hub's orchestration to create the most comfortable welcome experience, transitioning seamlessly from security mode to a personalized living space that anticipates the resident's needs after a day away. The following diagram illustrates how our perception and decision-making systems create personalized welcome experience when the user returns home.



The abovementioned scenarios illustrate how our multi-level architecture creates an intelligent home environment that responds to and anticipates household needs, delivering a level of personalized support previously only possible with human household staff. The system's ability to perceive, decide, and execute across multiple devices creates a cohesive experience that enhances users' daily living experience.

Our SwitchBot App

In 2018, we developed and launched our own SwitchBot App, available for iOS and Android devices. Our SwitchBot App is designed to provide users with a user-friendly and customized experience to control our home robotic system products remotely wherever they have an internet connection. The table below sets forth the cumulative number of users who had registered with, and the cumulative number of devices that had been connected to, our SwitchBot App from its initial launch through the dates indicated.

	As of December 31,			As of June 30,	As of the Latest Practicable Date
	2022	2023	2024	2025	
Cumulative number of SwitchBot App users(1)	1,252,138	2,004,206	2,806,210	3,151,433	3,564,849
Cumulative number of devices connected to Switchbot App(2)	3,001,140	5,387,255	8,147,627	9,375,187	10,889,251
Cumulative number of users who purchased our perception and decision-making systems and paired with our products via SwitchBot App(3).	988,583	1,502,637	2,061,509	2,274,931	2,538,492

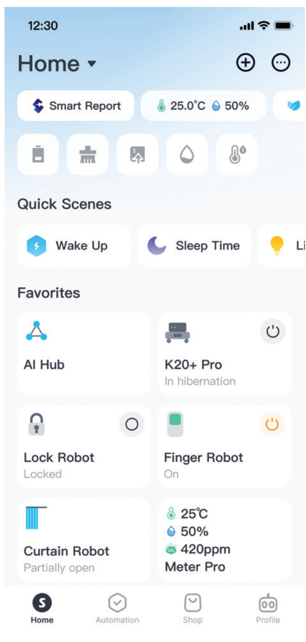
Notes:

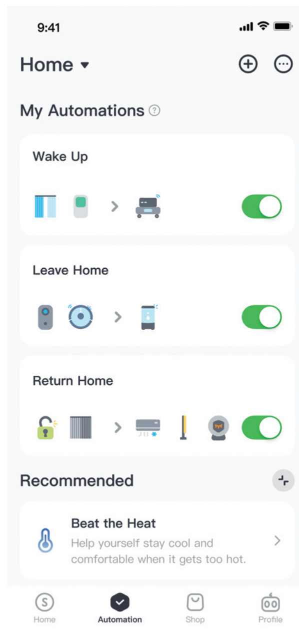
(1) For the purposes of "cumulative number of SwitchBot App users", we count a user by reference to the first SwitchBot App account that successfully connects a device (each device having a unique device identifier) to the SwitchBot App. Where multiple SwitchBot App accounts subsequently connect to the same device, only the first account that connected that device is counted as a user and the later accounts are not counted again.

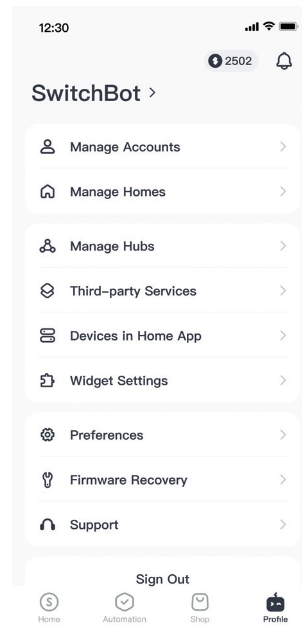
(2) "Cumulative number of devices connected to SwitchBot App" represents, as at the relevant date, the total number of distinct devices, identified by their unique device identifiers, that have ever been successfully connected to the SwitchBot App. A device is counted once irrespective of (i) how many SwitchBot App accounts have connected to it or (ii) how many times it has been disconnected and re-connected. In addition, certain registered users have connected more than one device to the SwitchBot App.

(3) For the purposes of "cumulative number of users who purchased our perception and decision-making systems and paired with our products via SwitchBot App", we count the first SwitchBot App account that successfully connects at least one perception and decision-making system product to the SwitchBot App. Where (i) multiple accounts connect to the same perception and decision-making system product, only the first account that connected that product is counted as one user; and (ii) one account connects multiple perception and decision-making system products, that account is counted as one user only.

Our SwitchBot App enables users to achieve centralized control of our home robotic system products for a comprehensive and intelligent home living experience. Through its connection with our different products, users can control curtain movements, manage lock access, monitor environmental conditions (temperature, humidity, and CO_2 levels), create customized automation scenes, and schedule device operations based on time or environmental triggers. As of the Latest Practicable Date, all of our main product categories were compatible with the SwitchBot App.







The SwitchBot App is built on a distributed smart network infrastructure with regional backend services, incorporating advanced database technologies and data analysis capabilities. This architecture allows us to process massive multi-source information and instructions generated by the connected devices on our SwitchBot App in a highly stable, efficient and secure way. Through a single registered SwitchBot account, users can check the status of multiple devices, control them remotely, and manage shared access for family members or guests with customizable permission levels. According to the backend data of our SwitchBot App, approximately 55.9% and 35.7% of all users who had registered with our SwitchBot App as of the Latest Practicable Date had connected two or more, and three or more, of our products with the SwitchBot App, respectively. These figures have increased steadily from approximately 48.2% and 27.7% as of December 31, 2022, respectively, demonstrating our strong customer retention and increasing product adoption across our ecosystem. In addition, SwitchBot users can store and analyze historical data (such as temperature trends or access logs), create custom scenarios that activate multiple devices simultaneously, and receive push notifications based on user-defined conditions or our data analysis.

The SwitchBot App is compatible with third-party voice assistants including Amazon Alexa and Google Assistant and Apple Home. After connection, users can control compatible SwitchBot devices hands-free by using voice commands to control those devices activated on the SwitchBot App. Additionally, the SwitchBot App supports integration with other ecosystems to achieve advanced automation, allowing our products to work seamlessly with a wide range of third-party devices.

The SwitchBot App also provides a comprehensive feedback mechanism for our users. Users can communicate with our customer services staff directly through the app's support entry or send email inquiries to us regarding our products. Our customer support team monitors these messages, categorizes feedback, and conveys relevant information to our R&D teams through our weekly after-sales synchronization meeting system. This feedback loop has been instrumental in our product iteration process, allowing us to continuously improve our offerings based on real user experiences and needs.

Through the SwitchBot App, we also provide firmware updates for our devices, enhancing their functionality and security over time, as well as troubleshooting guides and access to detailed product manuals. This comprehensive approach to user support and product management through the SwitchBot App has contributed significantly to our user satisfaction and product refinement processes.

PRICING STRATEGY

We adopt a market-oriented pricing strategy that balances competitive positioning with profitability objectives across our diverse product portfolio and geographic markets. Our approach considers multiple factors, including customer preferences, cost structures, business development goals, market maturity, competitive landscapes, and currency exchange rates. Rather than competing primarily on price, we position our products based on their innovative features, quality, and the value they deliver to end consumers. We regularly forecast market conditions and cost trends, adjusting our pricing strategy to maintain target profit margins while remaining competitive. This disciplined approach allows us to respond effectively to market changes while safeguarding our profitability.

Our pricing model varies by sales channel and product category. For DTC channels, including our self-operated website, we maintain complete pricing control, enabling optimal margin management. We maintain consistent pricing for our direct sales across different channels. We offer promotional discounts during holiday seasons. Our DTC channels generally command higher price points compared to the wholesale pricing extended to our retailers and distributors. For products sold to retailers and distributors, we establish pricing guidelines and partner closely with retailers and distributors to ensure consistent market positioning. We offer bulk purchase pricing to our retailers and distributors, which is determined through negotiation. In addition, we may offer additional discounts to our retailers and distributors during promotional events, the percentage of which is also determined through negotiation. During the Track Record Period, the range of discounts are offered to our distributors was approximately 16% to 56%, while the discount range for retailers was approximately 24% to 75%. The breadth of these ranges reflects our flexible and strategic approach to sales and market development. Discounts at the higher end of these ranges, which are calculated on the basis of maximum discount ratio for every product, were typically offered in specific, time-limited circumstances, including: (i) major promotional events and holiday seasons to drive significant sales volume; (ii) strategic initiatives to support new product launches or facilitate entry into new geographic markets, where greater incentives are used to encourage initial stocking and consumer adoption; and (iii) end-of-life sales programs to efficiently clear inventory of older models and make way for new products. According to the Frost & Sullivan Report, offering a wide range of discounts to channel partners to address strategic objectives such as promotional campaigns, market penetration, and inventory management is a common and established practice within our industry.

Within our product series, pricing reflects the relative performance capabilities, with higher-specification models commanding comparatively higher price points. This performance-based differentiation applies across our product categories, enabling us to serve diverse customer segments while maintaining our brand positioning throughout our ecosystem.

To preserve pricing integrity across distribution channels, we implement contractual controls with our partners, including suggested pricing requirements and incentive structures that reward adherence to our guidelines. Our incentive structures are primarily based on the sales performance of our distributors, which include (i) the sales rebates and price subsidies; and (ii) financial support for marketing and promotional activities. For distributors who adhere to our pricing guidelines, we may offer sales rebates, price subsidies and/or discounts, subject to their sales performance. We generally provide rebates through non-cash mechanisms, such as product-based rewards or making price adjustments in subsequent purchase orders, to align with our operational and financial policies. In addition, we may provide funding to distributors to support their marketing and promotional initiatives, such as exhibitions, trade shows, or advertising campaigns.

Our Core Technologies

We have independently developed three core home robotic technologies, which serve as the foundation of our competitive advantage and have been integrated or are being integrated into our home robotic system products.

Robot Positioning and Environment Construction Technology

This technology integrates multi-sensor fusion, edge intelligence, and 3D visual reconstruction to enable high-precision, high-dimensional, and high-adaptability autonomous movement in our products:

- *One-dimensional positioning:* For our product categories such as curtain robots and lock robots, we utilize multi-sensor fusion combining IMU, encoders, and magnetic positioning, achieving positioning accuracy of ≤5mm.

- *Two-dimensional mapping:* We employ LiDAR SLAM with information gain maximization exploration algorithms, enabling mapping of areas up to 2,000 sq.m., allowing robots to navigate and avoid obstacles precisely in home environments with a comprehensive obstacle avoidance success rate of 96.3%.

- *Three-dimensional construction:* Our enhanced mobile robot products combine LiDAR, computer vision, and edge AI SLAM technologies, incorporating visual delocalization, posture estimation, multi-camera fusion, and 3D reconstruction, creating high-precision 3D home models that enable robots to perform household tasks in three-dimensional space.

This technology will allow our products to accurately position themselves in one, two, and three dimensions with high precision, map large surrounding home environments, and create detailed spatial 3D models that can clearly identify environmental features.

AI Machine Vision Control Technology (VLA Model)

This technology leverages a VLA model, combining multi-modal large language models, vertical models, and diffusion models by leveraging the perceptual capabilities of terminal devices equipped with CMOS vision sensors to enable accurate visual recognition and intelligent feedback:

- *Terminal perception (vision):* Our products feature multi-level visual input systems optimized for low-power NPUs (<1 TOps), with end-model parameters of <10MB and response speeds of <50ms.

- *Abstraction intelligence (language):* Our large models, with parameters of ≥2000MB, enable advanced reasoning, imagination, and understanding, with end-to-end response speeds of <1s.

- *Action execution (action):* We employ a diffusion model-based execution module with parameters of <1,000MB, achieving response times of <100ms, running directly on devices for precise and efficient action execution.

This technology allows our home robotic systems to first analyze and interpret visual data to understand their surroundings and then integrate this information with positioning and environmental data, enabling enhanced mobile robots to move and execute actions with high precision.

Distributed Neural Control Network Technology

This technology utilizes Bio-inspired Neural Communication Protocols to establish low-power, self-healing network connections, enabling real-time collaborative control of multiple devices. It is designed to deliver fast, precise, and reliable control while adapting to complex home living environments, providing solid interconnectivity capabilities for our smart home ecosystem.

- Multi-modal Large-Model Centralized Decision Architecture:

    - o *Brain-like control:* Our proprietary multi-modal large model integrates vision, action, and environment data, enabling our smart hubs to act as a central neural node. It processes cross-modal data streams from sensors, execution devices, and enhanced mobile robots in real-time (e.g., visual, tactile, and spatial topology) to generate optimized control instructions; and

    - o *Dynamic autonomous optimization:* Leveraging reinforcement learning and meta-learning frameworks, the system supports autonomous decision-making between devices, such as automatically learning user operation habits to adjust execution device actions, or dynamically adjusting enhanced mobile robots paths for obstacle avoidance.

- Bio-inspired Neural Communication Protocol:

    - o *Adaptive topology networking:* This protocol combines BLE, WiFi, and IR to form a heterogeneous neural network that mimics biological synaptic dynamic connection mechanisms, supporting decentralized autonomous device networking; and

    - o *Pulse-based energy control:* Using spiking neural network technology, this significantly reduces communication energy consumption, achieving BLE terminal standby power consumption of $<10\mu A$ while maintaining a continuous control success rate of $\geq 99.40\%$ with control latency within 850ms.

- Embodied Intelligence Control Performance:

    - o *Precision motion neural link:* Through terminal-side motion control and biometric algorithms, we achieve high-precision end control, such as curtain robots movement accuracy of ≤ 5mm and biometric misidentification rates of $<0.001\%$ for lock robots; and

    - o *Generalization in complex scenarios:* Through large model pretraining and edge-based incremental learning, the system adapts to various complex home environments, achieving a control success rate of $>99.40\%$.

This technology features fast response times, high precision, high control success rates, and low energy consumption, while automatically adapting to complex and changing home environments, providing dependable technical support for our home robotic ecosystem.

RESEARCH AND DEVELOPMENT

Overview

We have established interdisciplinary R&D capabilities that draw upon diverse fields, including artificial intelligence, robotics, computer vision, embedded systems, cloud computing, and IoT technologies. Our in-house R&D team strives to expand the functionalities and use cases of our home robotic system products, accommodating specific needs of various smart home scenarios.

Our R&D Philosophy

We adhere to a long-term vision of consistently prioritizing R&D innovation as a key driver of our business growth. Through sustained investments in R&D, we are dedicated to solving user pain points as the core direction of product development and innovation. Our multidisciplinary R&D capabilities cover various advanced fields, including robotics, AI, IoT technology, visual algorithms, motion control, and machine learning, which establish the foundation for our comprehensive, proprietary core technologies.

Our R&D Team and Core Members

As of the Latest Practicable Date, we had a R&D team of 278 personnel, accounting for 43.4% of our workforce. Our R&D department is structured into three main divisions, each specializing in key areas of product development:

- ***Category department:*** Responsible for the full product lifecycle, staffed by hardware product managers who oversee planning, development, and management of hardware products.

- ***Platform department:*** Focuses on software design.

- ***Research department:*** Handles product development from technical pre-research to mass production, ensuring technical feasibility and innovation.

To ensure effective coordination and execution of R&D efforts across these divisions, we implement a collaborative framework known as the "Technology Triad." This framework involves the close collaboration of the following three key roles, each contributing specialized expertise to evaluate and execute R&D outcomes at various stages:

- ***Technical lead:*** Oversees technical feasibility, identifies innovation opportunities, and monitors progress in solving technical challenges. The technical lead also assesses the rationality of the current technical approach and determines whether adjustments or optimizations are required for specific technical components.

- ***Product manager:*** Evaluates the alignment of the project with current market demands and ensures differentiation from competing products. The product manager also focuses on the completeness of product functionality, user experience, and software interaction.

- ***Project manager:*** Coordinates cross-departmental efforts to ensure project milestones are achieved within defined timelines while maintaining quality standards.

This integrated structure and collaborative framework allow us to maintain specialized expertise while ensuring that our R&D efforts are market-driven, technically sound, and efficiently executed.

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

Core R&D Members	Profile
Mr. PAN Yang (潘陽)	Mr. Pan Yang is our co-founder, executive Director and chief technology officer. He holds a bachelor's degree in electronic science and technology from Harbin Institute of Technology. Mr. Pan has approximately 14 years' experience in R&D, and his research focuses on automation in production and testing. As our core R&D member, he is responsible for our product research and development, addressing key technical challenges, planning the product roadmap in collaboration with the team, and defining technical parameters for products.
Mr. LI Jiangang (李建剛)	Mr. Li Jiangang is our R&D vice president. He holds a bachelor's degree in automation and a master's degree in control science and engineering, both from Harbin Institute of Technology. Mr. Li has over 10 years' experience in the development of embedded system and equipment, and his research focuses on software and hardware system architecture and algorithms. He is responsible for the product's system architecture and the development of a general hardware platform.

Core R&D Members	Profile
Mr. ZHENG Minsheng (鄭旻晟)	Mr. Zheng Minsheng is the head of our R&D platform department. He obtained a bachelor's degree from University of Toronto and a master's degree from Ontario College of Art & Design University. Mr. Zheng has approximately seven years' experience in the product development and platform system design, and his research focuses on user interaction and AI data processing.
Mr. LI Jianqiang (李建強)	Mr. Li Jianqiang is our lead robotics architect. Mr. Li obtained his bachelor's degree from Shanghai Jiao Tong University. He also obtained a master's degree in mechanical engineering from the National University of Singapore. Before joining us, Mr. Li worked at the Centre for Advanced Robotics Technology Innovation in Singapore. Mr. Li's research focuses on mobile platforms and machine vision.
Mr. FENG Yi (馮一)	Mr. Feng Yi is our lead AI scientist. Mr. Feng obtained bachelor's degree in computer science from Peking University. Before joining us, Mr. Feng worked at Google. His research focuses on dynamic algorithms and software development.

Our R&D efforts have also been greatly strengthened through the guidance and support of distinguished scholars. In particular, Professor LI Zexiang (李澤湘) and Professor KO Ping Keung (高秉強), both serving as our non-executive Directors, frequently provide professional advice on product positioning and industry trends. They engage in discussion with our senior management as well as core members of our R&D team to exchange insights on emerging technologies, validate research directions, and optimize our innovation pipeline. Please refer to "Directors and Senior Management — Board of Directors — Non-executive Directors" in this prospectus for further details on the professors.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. We generally recruit candidates via online recruitment, internal referrals and employment agencies, among others. With respect to our key R&D personnel, we primarily focus on their relevant technical expertise and industry experience. We also value their self-motivation, growth potential, and teamwork capabilities. The salient terms of agreements with management and technical staff are set out below.

- *No conflict:* During the employment, the employee shall not engage in any other job, whether full-time or part-time.

- *Ownership of the intellectual property:* Any inventions, creations, works, or non-patented technical achievements created by employees during their employment as a result of performing their duties or primarily utilizing our materials and technological conditions, and business information, among other things, including trade secrets, shall belong to us. We have the right to use or transfer the aforementioned intellectual property. Employees shall actively provide all necessary information, materials, and research, and take all necessary actions to assist us in obtaining and exercising the relevant intellectual property rights.

- *Confidentiality:* Employees shall undertake not to disclose or use any confidential information.

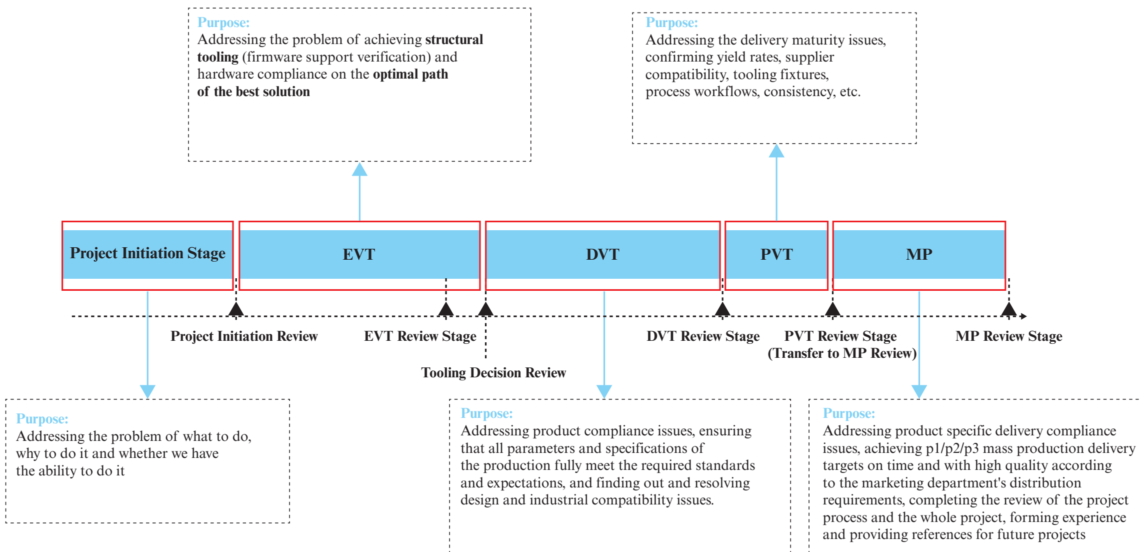
- *Non-competition and non-solicitation:* We reserve the right to unilaterally impose a non-competition period of up to two years following the termination of employment, with appropriate compensation provided accordingly. During the term of employment and the non-competition period imposed by us, the employee shall not engage in any competitive behavior, and they shall not solicit or attempt to solicit our employees to leave their employment.

- *Dispute resolution:* The parties shall resolve any issues arising through negotiation. If such issues remain unresolved, parties may seek arbitration from the labor arbitration committee at our location.

Our R&D Process and Methodology

Our R&D is primarily divided into two key segments: (i) developing new products, where we identify user pain points through social media and other channels and innovate based on these insights; and (ii) iterating on existing products, mainly achieved by collecting user feedback primarily from our SwitchBot App, social media and third-party e-commerce platforms where we offer our products.

We approach R&D by evaluating customer requirements, conducting feasibility analyses, advancing technology, and considering practical use cases. The diagram below sets out the principal steps which we generally follow in our R&D process.



Our R&D process mainly includes (i) project initiation stage, (ii) engineering verification test ("EVT") review stage; (iii) design verification test ("DVT") review stage; (iv) production verification test ("PVT") review stage, and (v) mass production ("MP") review stage. The time needed for each stage varies significantly depending on the complexity of the research project and underlying products, technical challenges encountered, testing outcomes, and resource allocation priorities.

- *Project initiation stage:* At this stage, we determine the objectives, rationale, and feasibility of the project. Typically, product manager mainly delivers a preliminary research report, a project initiation report and a project control table, which include market research, competitive analysis, initial product definition and project development timelines. It generally requires approximately one to 12 weeks to complete this stage.

- *EVT review stage:* After passing the project initiation review, R&D enters the EVT review stage. The goal at this stage is to achieve structural tooling (with firmware support verification) and ensure hardware compliance. At this stage, product manager and R&D engineer need to deliver (i) product and software requirement specifications, which contain technical and functional requirements of the product; (ii) user experience design; (iii) EVT prototypes, which meet the certification and verification requirements; (iv) EVT firmware, which meets specific minimum viable product delivery verification; (v) functional app prototype for basic usability testing and feature verification; and (vi) industrial design, refining visual and physical design of the product, ensuring alignment with user needs and our branding. It usually takes approximately three to 16 weeks to complete this stage.

- *DVT review stage:* Upon completing the previous steps, R&D enters the DVT review stage. The objective at this stage is to address product compliance issues, ensuring that all parameters and specifications fully meet the required standards and expectations, and resolving design and industrial compatibility issues. At this stage, we need to deliver (i) DVT prototypes, which are fully functional and are used to validate the product's design and performance; (ii) full-function firmware, incorporating all core functionalities and integrations to meet product design specifications; and (iii) a full-function App and a full-function backend, providing complete features and seamless operation with the firmware. Additionally, this stage involves product pricing and distribution planning. A product finalization meeting is also held to finalize the product design. It typically requires approximately two and 20 weeks to complete this stage.

- *PVT review stage:* The primary aim of the PVT review stage is to address issues related to the maturity of deliverables. At this stage, we will focus on resolving issues such as yield rates, supplier compatibility, and process workflows. PVT prototypes need to be delivered for internal testing and public testing, including third-party certifications (such as Alexa compatibility testing) and air and sea freight certifications. This stage generally requires approximately two to ten weeks to complete.

- *MP review stage:* The primary focus of the MP stage is to address specific delivery and customization issues. In accordance with the distribution requirements set by the marketing department, we aim to achieve the goal of mass production delivery on time and with high quality. This stage also involves reviewing the project to gather insights and provide references for future projects. At this stage, we need to deliver (i) products that are ready for mass production and end-users (ii) mass production materials and firmware, such as manufacturing documentation to support stable and scalable production； and (iii) the official version of SwitchBot App with finalized feature design and tailored user interface for the new product within such App, which is ready for launch. The MP review stage usually takes approximately one to eight weeks to complete.

Our Key R&D Projects

Since our inception, we have independently worked on over 31 R&D projects that resulted in the development and commercialization of our products. The table below sets forth the details of our key independent R&D projects completed during the Track Record Period.

No.	Project Name	Commencement Date	Completion Date	Project Description/ Product Commercialized	Product-related/ Technology-related
1.	AI Companion Robot Project	January 2025	November 2025	This project developed an AI companion robot with emotional companionship functions that can also serve as a home intelligent assistant to manage other devices in the home robotic system through research on machine learning, adaptive systems, and natural language processing technologies.	Product-related
2.	Motion Robots Development	December 2024	September 2025	This project involved research on AI algorithms to achieve real-time recognition and the tracking of specific targets in videos, including people, objects, and motion trajectories, and applied these AI visual tracking technologies to motion robots.	Technology-related
3.	Home Mobile Intelligent Service Robot Development	January 2024	December 2024	This project achieved object recognition technology, multi-sensor robot positioning technology, mechanical arm grasping technology, and edge cleaning technology. These technologies can be applied to our enhanced mobile robots.	Technology-related

No.	Project Name	Commencement Date	Completion Date	Project Description/ Product Commercialized	Product-related/ Technology-related
4.	Home Multi-sensor Perception System Development	March 2024	December 2024	This project achieved multi-source data fusion display, local environmental data storage and intelligent analysis, external sensor power supply technology, carbon dioxide sensor calibration system, and BLE & Matter protocol interconnection technology. These technologies can be applied to the perception and control products to enhance the perception and decision-making capabilities of the home robotic systems.	Technology-related
5.	Neural Network Upgrade Technology Development for Home Robotic System	January 2024	December 2024	This project upgraded the distributed neural control network technology and developed real-time data processing and display, scene sharing and synchronization, low-power communication optimization, cross-platform development, offline operation support, and intelligent reconnection technologies. These technologies can be applied to the products in our home robotic system, providing smarter, more efficient, and more convenient solutions.	Technology-related
6.	Integrated Cleaning Robot and Mobile Robot and Software System Technology Development	June 2023	December 2024	This project achieved multi-functional mobile platform technology powered by sweeping robots and multi-functional dust collection base station technology. These technologies can be applied to our enhanced mobile robots.	Technology-related
7.	Intelligent Sweeping and Mopping Robot with Multiple Base Stations and Multi-sensor Integration and Software System Technology Development	January 2023	December 2024	This project achieved AI object recognition, multi-sensor fusion positioning and laser SLAM, multiple base station docking identification, and real-time self-cleaning design technologies. These technologies can be applied to our enhanced mobile robots.	Technology-related

No.	Project Name	Commencement Date	Completion Date	Project Description/ Product Commercialized	Product-related/ Technology-related
8.	Intelligent Visual System Development	January 2024	December 2024	This project achieved BLE keep-alive technology, low-latency video transmission, NFC security authentication, and lock robots linkage system control. These technologies can be applied to our smart cameras.	Technology-related
9.	Home Appliance Centralized Control Intelligent Terminal and System Development	July 2023	May 2024	This project achieved scenario linkage algorithms, infrared code learning technology, and BLE multi-device low-power networking technology control solutions. These technologies can be applied to our smart hubs.	Technology-related
10.	Smart Home System Development Based on User Device Loading Speed, Compliance Security, and User Experience Enhancement	February 2023	April 2024	This project achieved core technology solutions for the home robotic system in whole-house dynamic views, multi-condition scenario triggering, and AI-driven smart notification system that prioritizes alerts by importance. It integrated multiple sensor data, including temperature, humidity, and air quality, as well as analysis of user behavior.	Technology-related
11.	Lock Robots and Control System Development Based on Security Prevention in IoT Environment	January 2022	November 2022	This project developed dynamic planning algorithms, battery hot standby technology, load-adaptive motor control, low-power communication, multi-level key management system, and fault safety-oriented design technologies. These technologies can be applied to our lock robots.	Technology-related
12.	Household Robot Development Based on Lidar and IMU SLAM	January 2022	December 2022	This project developed special grid map construction technology, differential chassis scan matching algorithm, multi-angle obstacle avoidance control, and lidar and inertial measurement unit fusion positioning technologies. These technologies can be applied to our enhanced mobile robots.	Technology-related
13.	Perception Decision System Control Rate and Loading Speed Optimization Development	September 2022	December 2022	This project developed device model abstraction, cloud-based state caching system, and other technologies. These technologies can be applied to our perception and decision-making system products.	Technology-related

The table below sets forth the details of certain of our ongoing key independent R&D projects as of the Latest Practicable Date.

No.	Project Name	Commencement Date	Expected Completion Date	Project Description/ Product Commercialized	Product-related/ Technology-related
1.	Humanoid Chore Robot Project	March 2024	January 2026	This project aims to design a humanoid household robot capable of performing more execution tasks in three-dimensional home environments through the development of VLA models and motion control technologies.	Product-related
2	Sports Robot with Bionic Arm Development Project (帶仿生機械臂的運動機器人研發項目)	June 2025	December 2026	This project aims to develop a sports robot platform for highly dynamic environments. It involves integrating a multi-degree-of-freedom bionic mechanical arm onto an autonomous mobile robot base, combined with a cross-modal perception, decision-making, and control system. The goal is to enable the robot to use its bionic arm to accurately and predictively intercept high-speed moving objects, such as balls.	Product-related

Our R&D Achievements and Investments

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses amounted to RMB61.8 million, RMB89.2 million, RMB112.0 million, RMB56.7 million and RMB58.7 million, respectively, reflecting a CAGR of 34.7% from 2022 to 2024 and accounted for 22.5%, 19.5%, 18.4% and 14.8% of our total revenue in the same periods, respectively. Leveraging on our R&D capabilities and our insights into user preferences, we consistently transformed R&D investments into product commercialization during the Track Record Period, enabling us to continuously deliver home robotic system products that meet user demands while seamlessly integrating into their existing living environments.

We have launched multiple new industry product categories through our original development efforts. We have been recognized as a National Key Specialized and Sophisticated "Little Giant Enterprises" (國家專精特新重點"小巨人"企業), a National High-Tech Enterprise (國家高新技術企業) and a Guangdong Provincial Engineering Technology Research Center for Intelligent Networked Home Control (廣東省智能組網家居控制工程技術研究中心), since 2024, 2023 and 2022, respectively.

OUR SALES AND DISTRIBUTION NETWORK

Overview

We have established an omni-channel sales and distribution network that is tailored to the respective markets in which our products are sold. We maintain a well-balanced online and offline sales network because we believe our diversified offline and online channels play equally significant roles in our business. Our sales and distribution network generally consists of DTC channels, retailer channels and distribution channels. Under the DTC channels, we sell products directly to end consumers either via a number of e-commerce platforms, including Amazon SC, among others, or our self-operated website. Under the retailer channel, we primarily sell our products to major international and national retailers, including Amazon VC, which purchase products directly from us and sell them to end consumers. Under our distribution channel, we mainly sell our products to distributors, which purchase products from us and subsequently distribute them to sub-distributors, and/or retailers.

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000* (Unaudited)	%	*RMB'000*	%
DTC channels	**101,182**	**36.9**	**210,965**	**46.2**	**303,732**	**49.8**	**120,391**	**43.7**	**177,469**	**44.8**
— Amazon SC	79,817	29.1	120,043	26.3	173,020	28.4	62,732	22.8	90,386	22.8
— Self-operated website	20,460	7.5	60,793	13.3	88,688	14.5	35,836	13.0	60,588	15.3
— Other online marketplaces	905	0.3	30,129	6.6	42,024	6.9	21,823	7.9	26,495	6.7
Retailer channels	**172,115**	**62.6**	**204,783**	**44.7**	**244,824**	**40.1**	**125,628**	**45.7**	**183,008**	**46.2**
— Amazon VC	145,080	52.8	178,186	38.9	218,634	35.8	112,447	40.9	175,233	44.2
— Other retailers	27,035	9.8	26,597	5.8	26,190	4.3	13,181	4.8	7,775	2.0
Distribution channels	**1,300**	**0.5**	**41,516**	**9.1**	**61,368**	**10.1**	**29,002**	**10.6**	**35,817**	**9.0**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

We are constantly evaluating our existing channels and exploring new channels to optimize our sales and distribution network. Our channel strategy creates complementary strengths across our distribution ecosystem: direct-to-consumer channels foster brand loyalty and provide valuable customer insights; retail partnerships drive sales volume and enhance product visibility; while distributors facilitate geographic expansion into markets where we lack direct presence. This balanced approach allows us to maximize market coverage while maintaining pricing discipline and brand consistency across all consumer touchpoints. We seek to avoid unhealthy competition among sales channels primarily by monitoring retail prices and coordinating promotional activities across channels.

DTC Channels

Our DTC channels generally comprise of a number of e-commerce platforms and our self-operated website, through which we sell our products directly to end consumers.

E-Commerce Platforms

During the Track Record Period and as of the Latest Practicable Date, we sold our products directly to end consumers through a number of e-commerce platforms, including Amazon SC and other online marketplaces.

Amazon SC

Among our sales made on e-commerce platforms, a large portion of our revenue was generated from Amazon SC, which is one of Amazon's retail seller programs. We commenced our sales through such program in 2018. We usually use Amazon's "Fulfillment by Amazon" service where Amazon ships our products from the warehouses to our end consumers to fulfill the orders on our behalf. We recognize revenue from retail sales when control of the products is transferred to our end consumers. Our revenue generated through Amazon SC amounted to RMB79.8 million, RMB120.0 million, RMB173.0 million, RMB62.7 million and RMB90.4 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 29.1%, 26.3%, 28.4%, 22.8% and 22.8%, respectively, of our total revenue in the same periods.

We entered into framework agreements with Amazon in connection with Amazon SC. For the salient terms of such agreements, please refer to "— Our Relationship with Amazon" in this section.

Other Online Marketplaces

We enter into agreements with other e-commerce platforms to sell our products directly to end consumers who place order with us through these platforms. These platforms provide product listings and other support services essential for our operation. In return, we are typically required to pay a commission, referral fee or similar fees to such platforms, at a rate which is usually calculated as a certain percentage of our sales revenue generated through our online stores on these platforms. For certain platforms, we may also utilize their fulfillment services, including inbound and outbound logistics and order fulfillment. The historical rates of commissions and fees paid by us to other e-commerce platforms during the Track Record Period ranged from approximately 6% to 16% of the revenue generated on such platforms, depending on the respective platform policies and our collaboration history and experience with such platforms. Our revenue generated from other online marketplaces amounted to RMB0.9 million, RMB30.1 million, RMB42.0 million, RMB21.8 million and RMB26.5 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 0.3%, 6.6%, 6.9%, 7.9% and 6.7%, respectively, of our total revenue for the same periods.

During the Track Record Period, the agreements with other e-commerce platforms (excluding Amazon) typically contained the following principal terms.

- *Payment:* The platforms collect payments from end consumers and remit net proceeds to us after deducting applicable fees, such as commissions and referral fees.

- *Fulfilment and logistics:* We may opt to manage our own inventory, shipping, and order fulfilment, or we may utilize the fulfilment services provided by these platforms, who handle storage, packaging, and delivery in exchange for service fees.

- *Returns and customer service:* We are generally responsible for customer support, including handling returns, refunds, and cancellations, in accordance with platform policies. Returned products may also be processed by us or by platforms through its fulfillment services.

- *Contract term:* Agreements are typically open-ended and remain effective until terminated by either party.

- *Commission and fees:* We pay the platforms various fees, which may include sales commissions, referral fees, listing or subscription fees, transaction processing charges, and fulfilment-related service fees. Commissions are typically charged as fixed or variable percentages based on sales or settlement amounts. Certain e-commerce platforms also offer tiered fee plans tailored to stores of different scales. Additional fees may be incurred for optional services utilized by us, such as marketing, logistics, or payment processing services. Certain e-commerce platforms also impose one-off fixed charges, such as with respect to system registration.

- *Warranty:* We usually provide a one-years warranty for the products sold through these platforms. The platforms usually do not offer separate warranty coverage themselves.

- *Liability exposure:* In the event of damage, theft, or loss of products handled through third-party fulfillment services, the platforms may provide compensation for such losses during storage or delivery, subject to their respective policies. Specifically, for products processed through fulfillment services provided by the e-commerce platforms themselves, such platforms are generally liable for losses incurred during storage and delivery, and end consumers may directly contact the platform's customer service for assistance. In the event we identify errors in the storage or logistics process through our internal reviews, we seek recourse from the platform. If a end consumer contacts us directly regarding logistics discrepancies, we primarily direct such end consumer to contact the platform directly for resolution. In cases where we engage third-party logistics providers for products sold on e-commerce platforms, end consumers generally contact us directly to resolve issues, and we subsequently seek recourse from the relevant logistics provider for such losses. Typically, losses arising from product defects or our own negligence are generally borne by us.

- *Termination:* Agreements may generally be terminated by the platforms at their discretion, including without prior notice in some cases, or by either party to the agreement with advance written notice, subject to the applicable terms.

Self-operated Website

We have launched and have been operating a self-operated website since 2017, providing end consumers with intuitive product displays and quality shopping experiences, becoming a new growth engine for online channels. Our revenue generated from the self-operated website amounted to RMB20.5 million, RMB60.8 million, RMB88.7 million, RMB35.8 million and RMB60.6 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 7.5%, 13.3%, 14.5%, 13.0% and 15.3%, respectively, of our total revenue for the same periods. The key terms relating to purchasing products on our self-operated website can be found thereon, which are set out as follows:

- *Warranty:* Our warranty policy applies to our products that were purchased via our official self-operated website. All products purchased from our official self-operated website come with one year warranty, which is valid within one year from the date of receipt of item.

- *Shipping:* One to three business days for us to dispatch orders. Shipping times are not guaranteed due to factors that are beyond our control, such as political events, disruption to shipping routes, and changes in climate, among others.

- *Limitation of liability:* We are not liable for any damage arising from the use of the service. However, in jurisdictions that do not allow the exclusion or the limitation of liability for consequential or incidental damages, our liability shall be limited to the maximum extent permitted by law.

Retailer Channels

Amazon VC

Besides Amazon SC, we also sell our products to Amazon via Amazon VC. We commenced our sales through Amazon VC in 2019. Under Amazon VC, Amazon makes bulk purchase orders from us and directly fulfills the order to its customers. Our revenue generated from Amazon VC amounted to RMB145.1 million, RMB178.2 million, RMB218.6 million, RMB112.4 million and RMB175.2 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 52.8%, 38.9%, 35.8%, 40.9% and 44.2%, respectively, of our total revenue in the same periods.

We entered into framework agreements with Amazon in connection with Amazon VC. For the salient terms of such agreements, please refer to "— Our Relationship with Amazon" in this section.

Other Retailers

Overview

Our retailer network includes national retailers and electronics specialty retailers across key global markets. For the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, our products were sold to 69, 81, 54 and 42 retailers, respectively. The following table sets forth the changes in the number of retailers for the periods indicated:

	As of/For the year ended December 31,			As of/ For the six months ended June 30,
	2022	2023	2024	2025
Number at the beginning of the period	75	69	81	54
Increase[1]	42	44	20	21
Decrease[2]	(48)	(32)	(47)[3]	(33)[4]
At the end of the period	69	81	54[3]	42[4]

Notes:

(1) The increase in the number of retailers represents those retailers that made purchases from us for the year/period indicated, but did not purchase from us for the year/period immediately preceding the year/period indicated.

(2) The decrease in the number of retailers represents those retailers that made purchases from us for the year/period immediately preceding the year/period indicated, but did not purchase from us for the year/period indicated. Such retailers may purchase from us in a subsequent year/period.

(3) The number of retailers that we sold our products to decreased from 81 as of December 31, 2023 to 54 as of December 31, 2024, primarily because we optimized our retailer channels in 2024 and ceased our cooperation with those retailers that had relatively low transaction volumes with us.

(4) The number of retailers that we sold our products to decreased from 54 as of December 31, 2024 to 42 as of June 30, 2025, primarily because (i) a number of these retailers typically make infrequent purchases, often placing orders in the second half of the year, and accordingly did not place any orders during the six months ended June 30, 2025; and (ii) certain small retailers were deemed by us to have ceased their business relationship with us as they had not placed repeat orders and had become unresponsive to communications from us. Such cessation was based on our commercial assessment and was not the result of any formal termination from either party.

We sell products through retailer channels primarily because (i) these channels provide direct access to end consumers, which enhances the market penetration and brand visibility of our products; and (ii) the flexibility and broad coverage of retailer channels allow us to reach a wider range of targeted end consumers across different regions.

We generally enter into buy-sell relationship with our retailers, where we sell and transfer ownership of our products directly to them for subsequent resale to end consumers.

National retailers consist primarily of large electronics retailers, home centers, and mass market retailers that operate extensive networks of physical stores and online channels. These national retailers, often our key customers, are strategically important to our growth as their ongoing demand for our products allows us to develop and execute long-term plans for product development and market expansion. We collaborate closely with these major retail partners, providing innovative products based on insights into consumer needs and preferences in each regional market.

Compared to national retailers, electronics specialty retailers typically operate a smaller number of stores targeting specific market segments, including, among others, home automation enthusiasts and technology enthusiasts. We have developed the necessary logistics capabilities, inventory management systems, and support services to effectively engage with retailers of various sizes across our key markets. In Japan, our most developed retail market, we have established our presence in an extensive network of physical retail locations, providing important visibility for our brand. We have been strategically expanding our retail partnerships in Europe and North America, with particular focus on our high-value product lines such as enhanced mobile robots.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our revenue generated from other retailers amounted to RMB27.0 million, RMB26.6 million, RMB26.2 million, RMB13.2 million and RMB7.8 million, respectively, representing 9.8%, 5.8%, 4.3%, 4.8% and 2.0%, respectively, of our total revenue for the periods.

Contracts with Retailers

During the Track Record Period, the agreements with our retailers typically contained the following principal terms:

- *Term and termination*: The agreements generally have a term of one year, which may be terminated by either party with prior written consent of the other party or for cause.

- *Sales channels:* We designate specific geographic areas and/or sales platforms for retailers. Retailers are typically prohibited from selling our products on unauthorized platforms or outside their assigned territories.

- *Use of name and trademarks:* Retailers are permitted to use our name and trademarks to market our products but must act to protect and promote our good reputation. Retailers shall not register the trademark related to our trademarks.

- *Pricing:* We sell products to retailers at mutually agreed prices, typically specified in purchase orders or price lists. Retailers generally follow localized market pricing systems or manufacturer's suggested retail price

- *Purchase target:* Retailers shall reach annual purchase targets. Failure to meet such targets may entitle us to terminate the agreement with retailers at our sole discretion.

- *Payment terms:* Typically, retailers are required to make full payment via telegraphic transfer before picking up products from our factory. Sometimes we may also offer a credit period ranging from 30 to 60 days.

Distribution Channels

Distributors

Overview

During the Track Record Period and up to the Latest Practicable Date, we sold a number of products through distributors. Our distributors, generally purchase products from us and subsequently resell them to retailers and sub-distributors. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, sales to distributors amounted to RMB1.3 million, RMB41.5 million, RMB61.4 million, RMB29.0 million and RMB35.8 million, respectively, representing 0.5%, 9.1%, 10.1%, 10.6% and 9.0% of our total sales, respectively.

We sell the products through distributors primarily because:

- Selling products through distributors is a common practice in the industries where we operate, as advised by Frost & Sullivan. We believe that the cooperation with distributors provides benefits to us in certain local markets as we can leverage their expertise and coverage to penetrate these markets quickly and reach a diverse customer base in these local markets. For example, distributors have extensive sales network and a deeper understanding of the local market trends and end consumers' preferences in the areas where they operate, which can facilitate the penetration of the products we sell; and

- Local distributors provide comprehensive market localization support, including regulatory compliance, cultural adaptation, consumer insights, logistics management and targeted marketing strategies, which enhance our market entry efficiency while reducing operational costs and streamlining our internal processes; and

- Selling products through distributors limits our exposures to the risks of developing some of the local markets by ourselves directly, while allowing us to allocate internal resources more efficiently.

As of December 31, 2022, 2023, 2024 and June 30, 2025, we sold products to three, five, six and six distributors, respectively. We only enter into contracts directly with our distributors and generally do not have contractual relationship with any sub-distributors. The following table sets forth the changes in the number of distributors for the periods indicated:

	As of/For the year ended December 31,			As of/ For the six months ended June 30,
	2022	2023	2024	2025
Number at the beginning of the period	3	3	5	6
Increase(1)	—	2	3	3
Decrease(2)	—	—	(2)	(3)
At the end of the period	**3**	**5**	**6**	**6**

Notes:

(1) The increase in the number of distributors represents those distributors that made purchases from us for the year/period indicated, but did not purchase from us for the year/period immediately preceding the year/period indicated.

(2) The decrease in the number of distributors represents those distributors that made purchases from us for the year/period immediately preceding the year/period indicated, but did not purchase from us for the year/period indicated. Such distributors may purchase from us in a subsequent year/period.

Contracts with Distributors

We generally enter into distribution agreements with our distributors. During the Track Record Period, the agreements with our distributors typically contained the following principal terms:

- *Term and termination:* Typically one year from the effective date of the distribution agreement. Unless otherwise agreed, neither party may terminate the agreement without prior written consent of the other party. We maintain the right to terminate immediately with notice if the distributor breaches the agreement in a manner that cannot be reasonably cured.

- *Distribution channels:* We designate specific geographic areas for distributors and prohibit them from selling or marketing our products to any end user, reseller, or third party outside their assigned territories.

- *Use of name and trademarks:* Distributors are authorized to use our name and trademarks to market our products and must act to promote our good reputation. However, distributor shall not register the trademark related to our trademarks.

- *Pricing:* Distributors determine their own pricing to resellers based on market conditions, while we provide manufacturer's suggested retail price.

- *Purchase quantities:* Distribution agreements typically include annual purchase targets in monetary terms and may grant us the discretion to terminate the agreement if such targets are not met by the distributors.

- *Payment terms:* Distributors typically make payments to us via telegraphic transfer before products are picked up from our manufacturing facilities.

- *Non-compete and confidentiality:* Both parties agree not to circumvent or attempt to induce the other party' clients, vendors, or partners to terminate their relationship with the other party. Both parties also agree not to disclose confidential information to third parties, particularly to our competitors.

Sub-distributors

Our distributors are generally not prohibited from engaging sub-distributors. During the Track Record Period, we did not enter into any agreements or otherwise directly establish relationships with any sub-distributors and we have no control over them. Instead, we delegate to our distributors the authority to choose their sub-distributors and negotiate transaction terms directly with them. The distributors who cooperate with us directly are responsible for managing their respective sub-distributors, including ensuring their operations remain within the designated distribution territory and align with our overall sales and distribution strategy. If we become aware of any non-compliant operations by a sub-distributor, we communicate only with the relevant responsible distributor, requesting such distributor to take rectification measures. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material violation of our sales policies by our distributors and their sub-distributors or any material claims or non-compliant incidents involving sub-distributors.

Policies and Management Practices for Retailers and Distributors

Product Return and Replacement Policies for Retailers and Distributors

Our relationship with retailers and distributors is a buyer and seller relationship as retailers and distributors typically acquire ownership of the products we deliver to them, and no return, exchange or refund is allowed except for limited circumstances, including the following:

- We may allow the retailers and distributors to return the products with quality defects or damage during transportation; and

- In the event of quality issues, besides shipping replacement products needed in a timely fashion, we closely work with retailers and distributors to resolve them through mutual agreement. The specific arrangements for handling defective products may vary among retailers and distributors based on individual circumstances and are determined through commercial discussions between the parties.

Selection and Assessment of Retailers and Distributors

We follow a strict and targeted selection process to identify retailers and distributors who can drive brand growth and market expansion. We have a dedicated team that evaluates each candidate through a combination of business qualification review and market research. In particular, we assess a retailer's or distributor's: (i) expertise in the home robotic system industry and retail industry; (ii) historical sales achievements and operating scale; (iii) strength, quality, and localization of its sales channels, with emphasis on local market presence and retail execution; (iv) team management and after-sales support capabilities; and (v) market influence and ability to drive brand development. We aim to partner with retailers and distributors who share our vision, can effectively expand our market share, and provide an excellent end-user experience.

We apply stringent standards to evaluate our business relationship with existing retailers and distributors through an annual assessment. In addition to our standard criteria for a new retailer or distributor, we also assess its annual purchase target achievement rate. We may terminate business relationship with our exiting retailers or distributors for breach of the their agreements with us.

Credit Policies

We normally require our retailers and distributors to settle payment in advance of the scheduled delivery and we usually only release products to our retailers and distributors after receipt of payment, as we believe requiring pre-payment encourages our retailers and distributors to retail or distribute our products in a timely fashion and avoid accumulation of excess inventory. In cases where we grant credit term, we generally grant credit terms of up to 60 days to our retailers and distributors. We believe that the extension of credit terms to certain of our retailers and distributors would provide liquidity to and support them in developing long-term business with us. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any significant overdue payment in relation to the credit terms we granted to our retailers and distributors.

Management of Retailers and Distributors

Maintaining a stable network of retailers and distributors and an effective cooperative relationship with them is crucial to our ability to drive sales results and ensure end consumers' satisfaction. We actively manage our retailers and distributors to ensure healthy and orderly distribution networks, mitigate cannibalization among retailers and distributors, avoid channel stuffing and to protect our brand and reputation.

Set forth below are the key aspects of our management policies and measures governing our distributors and retailers:

- *Report:* For retailers and distributors with large procurement scales, we requested them to report their sales data to us regularly.

- *Support for marketing and promotional activities:* We assist the retailers distributors to conduct marketing and promotional activities in their stores and/or regions, including, among others, brand image improvement and promotion of products. These marketing and promotional activities are conducted according to our overall marketing strategies to maintain a unified brand and product image.

- *Contract compliance:* Our agreements with retailers and distributors explicitly prohibit cross-region sales by retailers and distributors. If a retailer or distributor breaches such restriction, we have the right to terminate the relevant agreement and/or sue the retailers and distributor for damages.

- *Business integrity:* We prioritize business integrity, especially in sales and marketing activities conducted by our retailers and distributors. They are required to comply with all laws, including anti-bribery regulations, and our agreements strictly prohibit bribery or corruption. If any illegal or fraudulent acts are identified, we will investigate and may terminate the partnership and seek compensation for losses. During the Track Record Period and up to the Latest Practicable Date, we found no violations of business integrity or anti-bribery laws that significantly impacted our business or operations.

- *Site visit and inventory inspection:* To monitor the performance of our retailers and distributors, our internal policy includes requiring our sales representatives to carry out random site visits at retailers and distributors, monitor sales performance and pricing, as well as marketing activities of our retailers and distributors.

While our standard inventory management arrangements generally do not contractually obligate our retailers and distributors to provide detailed inventory reports, we achieve the objectives of our inventory management policies to monitor performance and mitigate inventory risk through the following measures:

(i) *Inventory assessment through pre-order communication*. For smaller retailers and distributors, we utilize our standard order and fulfillment process as an opportunity to assess their inventory position. Typically, before a formal purchase order is issued, these partners will engage in communications with us to discuss and finalize key commercial terms, including product pricing, order quantity, and delivery schedules. This regular engagement provides us with timely insight into our partners' purchasing requirements. A partner's initiative to negotiate and place a new order generally serves as a practical indicator of downstream demand and their current inventory needs. This allows us to assess their inventory situation in the context of their recent order history, which assists us in mitigating the risk of overstocking before we fulfill a new order.

(ii) *Collaborative sales and promotional support*. In line with our goal of mitigating inventory accumulation, we maintain regular communication with our partners regarding their sales performance. If we identify a risk of overstocking, we work with the partner to develop and implement promotional activities to help accelerate the sell-through of our products.

Given that, (i) to the best knowledge, information, and belief of the Directors, after making reasonable enquiries with our key retailers and distributors including Amazon VC, the inventory levels across our key retailers and distributors have remained relatively stable and commercially reasonable throughout the Track Record Period; (ii) we effectively assess the inventory level of our other smaller retail and distribution partners through thorough pre-order communication; and (iii) we provide collaborative support to our partners to manage their stock levels, the Directors are of the view that our inventory management policies and the measures used to implement them are effective in mitigating the risks of channel stuffing and inventory obsolescence. On the basis of their independent due diligence work conducted, nothing has come to the attention of the Joint Sponsors which cause them to cast doubt on the reasonableness of our Directors' views aforementioned.

Relationship with Our Retailers and Distributors

To the best of our knowledge, all of our retailers and distributors are Independent Third Parties. The retailers and distributors are not connected to any of our Company, its subsidiaries, their shareholders, directors, senior management or any of their respective associates. To our best knowledge, besides the ordinary course retail arrangement or distribution arrangement with us, there is no other relationship between the retailers and distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates. Our relationship with our retailers and distributors is in essence a buyer and seller relationship. They are our customers, and they do not act on our behalf when dealing with their respective end users, and we have no management control over their daily operations. Our retailers and distributors place orders with us when and to the extent they deem appropriate. In general, our relationships with retailers and distributors have remained stable.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge there was no material non-compliance with the terms and conditions of our agreements with our retailers and distributors. See the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our distributors may have unsatisfactory performance which is beyond our control and their improper conduct or any changes in their business relationships with us may adversely affect or business, financial conditions and results of operations" in this prospectus for more details.

Measures to Prevent Channel Stuffing

We believe that our sales correspond to the actual consumer demands and our products are at a low risk of channel stuffing in our sales and distribution network, primarily because (i) we generally require full payment before delivering products to our retailers and distributors; (ii) we generally do not allow returns of products sold to retailers and distributors, except for products that are defective; and (iii) while we set annual purchase targets with certain retailers and distributors in our agreements, we typically adopt a collaborative approach if such targets are not met, such as providing subsidies or jointly developing promotional strategies, rather than immediately terminating or threatening to terminate the relevant agreements with them.

Based on the above measures and the absence of signs of any material abnormalities in our transactions with major retailers and distributors, all of which are Independent Third Parties, nothing has come to the attention of our Directors that our sales do not correspond to the actual consumer demands.

Measures to Prevent Cannibalization

For some geographical regions where our products are sold, we choose a limited number of qualified retailers and distributors to resell and distribute to the local retailers, sub-distributors and end consumers in those regions and prohibit cross-region sales in order to mitigate the potential cannibalization among retailers and distributors. To prevent cannibalization among our retailers and distributors, we have adopted the following strategies and internal control policies:

- *Channel-specific product configurations:* We assign unique model numbers and packaging designs for specific sales channels to discourage cross-channel sales.

- *Product traceability system:* We utilize serial number-based mechanisms in conjunction with retailers and distributor shipment records to trace product flow throughout our distribution network, allowing us to identify potential unauthorized cross-selling activities.

Sales in Different Jurisdictions

During the Track Record Period, our products were sold in more than 90 countries and regions globally, primarily in Japan, Europe and North America. The table below sets out the breakdown of our revenue by region for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Japan	**168,381**	**61.4**	**285,057**	**62.3**	**352,408**	**57.7**	**167,390**	**60.9**	**268,354**	**67.7**
Europe	**46,193**	**16.8**	**68,737**	**15.0**	**130,465**	**21.4**	**47,769**	**17.4**	**68,055**	**17.2**
Germany	12,443	4.5	19,685	4.3	51,450	8.4	16,364	6.0	31,161	7.9
The United Kingdom	10,592	3.9	16,341	3.6	20,048	3.3	8,760	3.2	9,844	2.5
Other European countries	23,158	8.4	32,711	7.1	58,967	9.7	22,645	8.2	27,050	6.8
North America	**47,614**	**17.3**	**83,482**	**18.3**	**96,735**	**15.9**	**42,394**	**15.4**	**46,176**	**11.7**
The United States	45,101	16.4	78,451	17.2	86,878	14.3	38,687	14.1	40,860	10.3
Other North American countries	2,513	0.9	5,031	1.1	9,857	1.6	3,707	1.3	5,316	1.4
Rest of the world(1)	**12,409**	**4.5**	**19,988**	**4.4**	**30,316**	**5.0**	**17,468**	**6.3**	**13,709**	**3.4**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Note:

(1) Rest of the world include over 40 countries and regions, including, among others, Australia, Singapore and South Korea, each contributed relatively insignificant revenue to us during the Track Record Period.

We develop and manage our extensive sales and distribution network on a region-by-region basis and adjust our marketing strategy in different regions. For example, (i) in Japan, we establish subsidiaries and departments to support customer needs due to the high emphasis on customer service in the Japanese market; (ii) in Europe, we primarily sell products through e-commerce platforms, with a growing focus on offline retail partnerships.

During the Track Record Period and up to the Latest Practicable Date, none of the countries and regions where our products were sold was subject to any international sanctions. Accordingly, we are not subject to any sanctions-related risk in connection with our business operations.

PRODUCTION AND WAREHOUSING

Production Methods

We manufacture our products primarily through in-house production at our self-operated facilities. To a lesser extent, we outsource the manufacturing of a small number of products to third-party contract manufacturers. The choice of production method is determined after careful consideration of various factors, including, but not limited to, the confidential nature of our core technologies, manufacturing costs, technical complexity, and production capacity.

During the Track Record Period, we implemented a predominantly self-manufacturing model for our main product categories with established track records and stable sales. This approach enables us to maintain comprehensive quality control throughout the entire product lifecycle, from development to manufacturing and sales.

We typically prioritize in-house production for technically complex products that incorporate our core technologies, such as our home robotic system products. This strategy safeguards our proprietary technologies and intellectual property. However, when we launched our enhanced mobile robots in 2022, we strategically outsourced the initial production to external manufacturers to mitigate initial production risks. Following favorable market reception and increasing order volumes, we transitioned the production of these robots in-house in 2023.

For complementary products within our ecosystem that do not heavily leverage our core technologies, such as circular fans and certain other smart home products, we collaborate with specialized external manufacturing partners. For additional information regarding our manufacturing partnerships, please refer to the section headed "— Subcontracting" in this section.

Production Process

Our production processes are primarily assembly-based. The following table describes a typical production process involved in our production.

Pre-processing:	The pre-processing of raw materials includes activities such as the assembly of components, cutting of auxiliary materials, and writing of software. This stage involves assembling raw materials and pre-processed components into semi-finished main units.
Assembling:	The assembling processes include assembling raw materials and pre-processed components into semi-finished main units.
Testing:	Functional testing of the product to ensure that all features are operating normally.
Packaging:	Once the semi-finished main units are assembled, we will proceed to package them along with their accessories.
Warehouse and delivery:	Register the packaged products into the warehouse and ship them according to customer orders.

Production Base

As of the Latest Practicable Date, we had one production base, the Guangdong Huizhou Production Base (廣東惠州生產基地), located at Baidizhigu S&T Innovation Park, No. 263, Chang'an Avenue, Shatian Town, Huiyang District, Huizhou, Guangdong Province, the PRC, with a gross site area of over 50,000 sq.m.

The Guangdong Huizhou Production Base primarily consists of two workshops: (i) the large item workshop, which is primarily used for the production of our advanced enhanced mobile robots, as well as other large products such as humidifiers, utilizing a pallet conveyor system; and (ii) the small- and mid-sized item workshop, which is primarily used for the production of our core home robotic system products with stable sales record, including our dexterous hand-mimic robots and perception and decision-making systems utilizing a belt conveyor line layout to facilitate the transfer of materials and ensure seamless integration of various processing steps.

To ensure efficient and smooth production processes, we place strong emphasis on the acquisition of advanced equipment and the maintenance of our production facilities. We maintain our production lines and machines to meet the PRC national standards and perform inspections of our equipment on a regular basis.

All the machinery and equipment for production are owned by us. We purchased our production machinery and equipment in the PRC, which not only reduces procurement costs but also ensures the stability and reliability of the supply of our equipment. In addition, by establishing long-term relationships with qualified domestic suppliers, we are able to receive timely technical support and after-sales service, facilitating the smooth progress of production. We typically engage multiple suppliers for our production machinery and equipment and do not rely on any single supplier.

We conduct regular inspection of our production machinery and equipment and have in place maintenance systems for our production machinery and equipment. Maintenance is carried out by our repair staff, and we engage the repair team of the manufacturer of a particular machine when necessary. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged interruption to our production processes due to machinery or equipment failure.

Production Capacity and Utilization Rate

For the operation of our in-house production, we normally consider not only our historical and current business volume, but also our anticipation and estimates in the future development of home robotic system industry, as well as our planned production capacity to accommodate our expected business growth.

During the Track Record Period, our production processes were primarily assembly-based. We offer a wide range of products, each requiring a different assembly process. The following table sets forth the estimated production capacity, actual production volume and utilization rate of our production workshops for the periods indicated[(1)]:

	For the years ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Large item workshop:				
Production capacity (units)[(2)]	—[(3)]	76,000	228,000[(5)]	125,000
Production volume (units)	—[(3)]	67,590	180,360	102,886
Utilization rate (%)[(4)]	—[(3)]	88.9	79.1[(5)]	82.3
Small-and-mid-sized item workshop:				
Production capacity (units)[(2)]	2,800,000	2,800,000	5,600,000[(5)]	2,800,000
Production volume (units)	2,488,426	2,383,402	4,105,618	1,964,420
Utilization rate (%)[(4)]	88.9	85.1	73.3[(5)]	70.2

Notes:

(1) For the purpose of statistical consistency, all our products are calculated based on the volume in units. We manufacture a wide range of products, each with varying production time. Based on our manufacturing experience, we normally take an average of 1.6 working hours to produce one unit of product in the large item workshop and an average of 0.2 working hours to produce one unit of product in the small- and mid-sized item workshop.

(2) In calculating our production capacity, we have made certain assumptions and applied certain formulae as explained below:

Production capacity represents the maximum possible units that could be manufactured in our production base for the year, assuming there are (i) 275 working days in each year; and (ii) 8 hours in each working day.

(3) We shifted the production of our enhanced mobile robots and other large products in-house from third-party contractors in 2023. As a result, no manufacturing activities for these products took place in 2022.

(4) The utilization rate is calculated by dividing the actual production volume by the estimated production capacity.

(5) In 2024, we relocated our production facilities from Shenzhen to Huizhou in response to increasing demand for our products and space constraints at our original manufacturing facilities. As a result of this relocation, our production capacity for both large items and small- and mid-sized items has increased, which caused the relevant utilization rates to decrease.

According to Frost & Sullivan, the home robotic system industry is continuously expanding, and we strive to capture as many new market opportunities as possible. We seek to achieve this by continuously developing new types of products and services, and we have designed our production facilities in a manner that provide us with high production capacities in order to prepare for the constant expansion of our products and services offerings. Depending on the prevalent market trends and demands, we may reallocate parts of the production capacities which are yet to be fully utilized for the production of our existing products to an increasing number of new and high-performing products in the future.

LOGISTICS, TRANSPORTATION AND INVENTORY MANAGEMENT

Logistics and Transportation

We manage transportation and delivery of finished products to customers, and engage third party logistics services providers to provide such services. Our logistics service providers help us (i) transport raw materials, parts and components between our production facilities and warehouses, (ii) transport finished goods internationally, (iii) transport finished goods to designated warehouses belonging to our customers or our service providers, such as Amazon, where we will ship inventories to its warehouses and Amazon will fulfill the orders to our customers on our behalf, (iv) handle customs clearance procedures for our products in designated regions, and (v) pay applicable value-added taxes, import duties and other related taxes for our imported goods in accordance with local tax regulations. Our third-party logistics service providers generally maintain their own operation insurance coverage.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any major disruption to logistics capabilities or any major incidents of loss or theft during delivery.

Inventory Management

We have established a comprehensive warehousing and inventory management system to ensure efficient operations and quality control. Our warehousing facilities are strategically located at our Guangdong Huizhou Production Base, and in certain overseas locations, with dedicated areas for raw materials, work-in-progress, and finished goods to optimize our production processes and inventory management.

We implement rigorous inventory control procedures, including quarterly physical inventory counts during which production is temporarily halted to ensure accuracy. Our financial staff supervise the counting process to maintain proper records and accountability. We have achieved high inventory accuracy rates through these systematic controls.

For efficient inventory management, we categorize our raw materials into Class A (core components like integrated circuits) and Class B (structural components), each with specific handling protocols and accuracy requirements. We maintain detailed monitoring reports on inventory turnover rates with designated personnel responsible for tracking inventory movement and identifying slow-moving items.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our inventories amounted to RMB83.6 million, RMB82.4 million, RMB163.6 million and RMB202.7 million, respectively. During the Track Record Period, we maintained healthy inventory turnover days of 111.9 days, 76.8 days, 82.0 days and 90.5 days for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively.

Our obsolete inventory management system follows a structured approach where materials unused for over six months are classified as slow-moving, while those unused for over one year undergo evaluation for potential write-off. All inventory write-offs follow a formal approval process through our office automation system, requiring appropriate management authorization.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We have established a comprehensive procurement system to ensure the timely supply of high-quality materials and components while optimizing costs. Our dedicated procurement team manages supplier relationships, enforces quality standards, and implements risk management measures throughout our procurement process.

The key materials, parts and components for our operations primarily include electronic materials, including semiconductors, electric motors, batteries, structural components such as plastic and metal parts, and packaging materials. During the Track Record Period, we sourced materials primarily from domestic suppliers. We monitor and manage raw material price fluctuations by establishing strategic relationships with key suppliers, analyzing market conditions, and implementing timely price adjustments. During the Track Record Period, we did not experience any significant delays or shortages in the supply of materials, parts and components that had a material adverse impact on our business operations.

We implement a rigorous supplier selection process based on our supplier control procedures. For new suppliers, we require submission of basic information including business licenses, qualification certificates, and company profiles through our supplier information survey forms. Our procurement team conducts preliminary assessments of potential suppliers by verifying their business credentials through national enterprise credit information systems, examining their industry certifications and compliance with regulatory requirements, and assessing their production capacity, technical capabilities and financial stability.

We classify our suppliers into main categories based on material criticality and business volume. For critical material suppliers handling key components, modules, and batteries, manufacturers must have a minimum registered capital of RMB5 million, while distributors and traders must have at least RMB1 million. Structure and electronic materials suppliers are required to maintain a minimum registered capital of RMB1 million for manufacturers and RMB0.5 million for distributors and traders. For packaging and auxiliary material suppliers, manufacturers must maintain a minimum registered capital of RMB0.5 million. Additionally, suppliers of strategic components must maintain ISO9001 quality management certification and obtain specific product certifications as required.

We conduct comprehensive on-site evaluations of suppliers for critical materials and components. Our evaluation team typically consists of representatives from procurement, quality control, and technical departments. The evaluation covers multiple aspects including quality management systems, production capabilities and equipment, technical expertise and innovation capacity, supply chain management, and financial stability.

Supplier Management

We maintain a systematic supplier performance evaluation system based on our supplier evaluation forms. Suppliers are evaluated on multiple criteria including product quality and consistency, on-time delivery performance, price competitiveness, technical support and responsiveness, and environmental and social responsibility. Based on evaluation results, suppliers are classified into four categories: strategic suppliers, preferred suppliers, standard suppliers and limited suppliers. For underperforming suppliers, we require corrective action plans and monitor improvement progress. Suppliers failing to meet our standards after improvement attempts may be removed from our approved supplier list.

Our procurement process follows our established procurement control procedures. Our engineers analyze production requirements based on customer orders and company forecasts, determining material needs and submitting procurement requests. Purchase orders are created in our enterprise resource planning system, reviewed by procurement supervisors/managers, and transmitted to suppliers. Our procurement team selects appropriate suppliers from our qualified supplier list based on material specifications, quality requirements, and supplier performance history. For price increases, additional approvals are required from department heads and finance. Procurement specialists track order status to ensure on-time delivery. For potential delays, early intervention measures are implemented to minimize production impacts. Upon delivery, warehouse staff receive materials while quality control performs incoming inspections according to established standards. Materials meeting quality requirements are stocked for production use.

We maintain various payment arrangements with our suppliers based on supplier type and material criticality. Our standard payment terms include prepayment arrangements for certain suppliers requiring advance payment, payment upon delivery for specific material categories, and monthly settlement cycles with a typical credit term of 45 days. Our payment process follows a structured approach. We conduct monthly reconciliation of delivery records with suppliers. We verify invoices against delivery records and purchase orders, and process payments based on agreed payment terms.

We believe our systematic procurement and supplier management processes enable us to maintain a stable supply chain while ensuring timely availability of high-quality materials and components for our production needs. During the Track Record Period, we did not experience any material quality issues or supply disruptions that significantly impacted our operations.

Contracts with Suppliers

During the Track Record Period, we had entered into framework agreements with some of our key suppliers for raw materials, parts and components that are commonly used or applied in our products. The framework agreements generally set out payment terms, quality requirements, warranty period, and delivery terms. There is generally no minimum purchase commitment on us. For the majority of our suppliers, we enter into individual purchase contracts/orders and negotiate the price, quantity and payment terms with them on a case-by-case basis, in line with normal practice in the industry. The table below sets out a summary of the typical key terms of our purchase contracts with suppliers:

Details:	The purchase orders generally set out the specifications, quantities and pricing.
Delivery:	Unless otherwise specified in the purchase orders, suppliers are generally responsible for transporting products to designated locations at their own expense and assume all transportation risks.
Warranty period:	Typically, 24 months, depending on the types of parts provided, unless otherwise agreed between the parties.
Product liability:	If the supplier's products do not conform to the specified standards, such supplier shall provide return or replacement services as required by us within five working days from the date of receiving our notification and bear all costs incurred. If the buyer suffers losses due to quality issues with the supplier's products or infringement of third-party intellectual property rights, we shall have the right to demand compensation from the supplier for all direct and indirect economic losses resulting therefrom.
Payment terms:	Monthly settlement with a payment term of between 30 and 60 days.

Key Suppliers

During the Track Record Period, our suppliers primarily included raw material suppliers and subcontractors. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our purchases from the five largest suppliers in each year/period during the Track Record Period amounted to RMB74.7 million, RMB58.3 million, RMB70.6 million and RMB60.1 million, accounted for 41.4%, 25.7%, 24.0% and 33.1% of our total cost of sales for the respective periods. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our purchases from the largest supplier in each year/period during the Track Record Period amounted to RMB18.3 million, RMB16.3 million, RMB21.8 million and RMB16.4 million, accounted for 10.1%, 7.2%, 7.4% and 9.0% of our total cost of sales for the respective periods.

The following table sets forth details of our five largest suppliers in each year/period during the Track Record Period:

For the Year ended December 31, 2022

Rank	Supplier	Principal Business	Place of Incorporation	Major Products/ Services Procured by Us	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Cost of Sales
						Days	*RMB'000*	*%*
1.	Shenzhen Chenmi Technology Co., Ltd.* (深圳市辰米科技有限公司)	The company is primarily engaged in the design and manufacture of structural components and molds for smart home products, consumer electronics and medical products	Mainland China	Structural components	2018	60	18,261	10.1
2.	Supplier A	The company is primarily engaged in the design and manufacture of indoor cleaning robots and smart vacuum cleaners	Mainland China	Subcontracting services (whole product manufacturing)	2022	Prepayment	15,663	8.7
3.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Logistics and warehousing	2018	Payment on delivery	15,541	8.6
4.	Beigaozhi Technology (Shenzhen) Co., Ltd.* (北高智科技(深圳)有限公司)	The company is primarily engaged in the distribution of electronic materials	Mainland China	Electronic materials	2020	45	13,948	7.7
5.	Supplier B	The company is primarily engaged in the R&D, production and sales of micro-drive systems, precision plastic parts and precision molds. It is a public company traded on the Shenzhen Stock Exchange	Mainland China	Structural components (whole product manufacturing)	2020	30	11,286	6.3
Total							**74,699**	**41.4**

For the Year ended December 31, 2023

Rank	Supplier	Principal Business	Place of Incorporation	Major Products/ Services Procured by Us	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Cost of Sales
						Days	*RMB'000*	*%*
1.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Logistics and warehousing	2018	Payment on delivery	16,337	7.2
2.	Supplier C	The company is primarily engaged in the R&D, manufacture and sales of IoT smart terminals and data storage devices. It is a public company traded on the Shenzhen Stock Exchange	Mainland China	Subcontracting services (production partner)	2023	45	13,025	5.7
3.	Shenzhen Chenmi Technology Co., Ltd.* (深圳市辰米科技有限公司)	The company is primarily engaged in the design and manufacture of structural components and molds for smart home products, consumer electronics and medical products	Mainland China	Structural components	2018	60	10,395	4.6
4.	Beigaozhi Technology (Shenzhen) Co., Ltd.* (北高智科技(深圳)有限公司)	The company is primarily engaged in the distribution of electronic materials	Mainland China	Electronic materials	2020	45	9,722	4.3
5.	HongKong Wingsing International Limited	The company is primarily engaged in the provision of supply chain service	Hong Kong	Logistics	2021	25 to 55	8,797	3.9
Total							**58,276**	**25.7**

For the Year ended December 31, 2024

Rank	Supplier	Principal Business	Place of Incorporation	Major Products/ Services Procured by Us	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Cost of Sales
						Days	*RMB'000*	*%*
1.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Logistics and warehousing	2018	Payment on delivery	21,804	7.4
2.	Supplier D	The company is primarily engaged in the production of smart products	Mainland China	Subcontracting services (whole product manufacturing)	2024	60	18,251	6.2
3.	Shenzhen Chenmi Technology Co., Ltd.* (深圳市辰米科技有限公司)	The company is primarily engaged in the design and manufacture of structural components and molds for smart home products, consumer electronics and medical products	Mainland China	Structural components	2018	60	11,234	3.8
4.	Supplier E	The company is primarily engaged in precision production and sales of lightweight metal structural components	Mainland China	Structural components	2023	45	9,953	3.4
5.	HongKong Wingsing International Limited	The company is primarily engaged in the provision of supply chain service	Hong Kong	Logistics	2021	25 to 55	9,313	3.2
Total							**70,554**	**24.0**

For the six months ended June 30, 2025

Rank	Supplier	Principal Business	Place of Incorporation	Major Products/ Services Procured by Us	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Total Cost of Sales
						Days	*RMB'000*	*%*
1	Supplier D	The company is primarily engaged in the production and assembly of smart products	Mainland China	Subcontracting services (production partner)	2024	60	16,392	9.0
2	Supplier F	The company is primarily engaged in the production and assembly of smart products	Mainland China	Subcontracting services (whole product manufacturing)	2021	30	10,802	6.0
3	Supplier G	The company is primarily engaged in the production and assembly of smart products	Mainland China	Subcontracting services (whole product manufacturing)	2023	30	10,298	5.7
4	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Logistics and warehousing	2018	Payment on delivery	13,090	7.2
5	Supplier H	The company is primarily engaged in the production and assembly of smart products	Mainland China	Subcontracting services (whole product manufacturing)	2024	30	9,487	5.2
Total							**60,068**	**33.1**

To the best knowledge of our Directors, all of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these suppliers during the Track Record Period and up to the Latest Practicable Date.

SUBCONTRACTING

We engaged certain subcontractors during the Track Record Period, including both (i) whole product manufacturers, to which we outsource the entire manufacturing processes of certain products, and (ii) production partners, to which we outsource certain steps of the manufacturing processes.

We engage whole product manufacturers primarily to supplement our production capacities. For example, for certain non-core products, such as smart light bulbs and other smart home appliances such as vacuum cleaners that complement our product ecosystem, over which we do not have sufficient capacity or in consideration of cost efficiency, we may outsource such products to whole product manufacturers to meet customer demands. In such cases, we design the product and solutions, formulate quality standards, and retain ownership of the product's intellectual property. The whole product manufacturers procure raw materials based on our specific project requirements and organize production according to our standards. We purchase the finished products from these manufacturers for sale, and we take measures such as inspections to ensure the product quality meets our standards.

We engage production partners primarily to complete certain non-core manufacturing steps more cost efficiently, such as (i) surface mount technology process, where we engage third parties to place electronic materials onto printed circuit boards; (ii) injection molding, where we engage third parties to use our proprietary molds to process plastic resin into components with specified shapes; and (iii) pre-processing, where we engage third parties to perform partial assembly of wires and components into subassemblies. In such cases, we typically ship the components or semi-finished products to the facilities of the subcontractors, who will then complete the outsourced manufacturing steps and ship the components or products back to us. We also conduct inspections during and after the production process to ensure that these manufacturing steps meet our standards.

We carefully select subcontractors among a pool of reputable candidates. We evaluate potential subcontractors in terms of, among other aspects, qualifications, technical skills, product quality, workplace safety, and delivery commitments. We require our subcontractors to comply with our internal policies and closely monitor their performance. In the event of any failure by our subcontractors to meet our internal policies, we may cease to work with them or claim damages. We apply testing to ensure that the sourced products meet our product specifications, quality standards, and customers' expectations. We have generally maintained long-term relationships with our subcontractors, and all of our subcontractors are independent third parties.

The salient terms of the agreements with our representative whole product manufacturers and production partners are set forth below:

Pricing:	Products and parts will be supplied at the prices agreed in purchase orders.
Delivery:	Subcontractors are responsible for transporting products to designated places and bearing the associated expenses and costs.
Warranty period:	Typically between one year to three years, depending on the types of products and parts provided, unless otherwise agreed between the parties.
Product liability:	Whole product manufacturers generally indemnify us for product liability resulting from defects of products manufactured by them. Production partners generally indemnify us for product liability resulting from defects of parts supplied by them.
Payment terms:	Generally 45 to 60 days, and including but not limited to individual arrangements such as partial advance payment and the balance due upon delivery.
Duration and termination:	Generally one year to three years, automatically renewed once for one year to three years, unless terminated by written notice.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our subcontracting costs amounted to RMB11.0 million, RMB25.5 million, RMB19.3 million, RMB7.1 million and RMB20.3 million, respectively, which accounted for 6.1%, 11.3%, 6.5%, 5.2% and 11.2%, respectively, of our total cost of sales during the same periods. Our Directors confirm that we did not experience any shortage of subcontractors during the Track Record Period. In addition, we did not receive any material claims or complaints by our customers in respect of the quality of our products manufactured or processed by our subcontractors, nor did we experience any material breach in the provision of services by our subcontractors, which caused a material disruption to our operation during the Track Record Period.

To the best knowledge and belief of our Directors, after making all reasonable enquiries, none of our Directors or their close associates or any shareholder who owned more than 5% of our issued and outstanding share capital as of the Latest Practicable Date had any interest in any of the subcontractors of us during the Track Record Period. During the Track Record Period, all subcontractors were Independent Third Parties.

QUALITY CONTROL

We are committed to maintaining high level of quality and safety in our products and services. We have designed and implemented stringent monitoring and quality control systems to manage our manufacturing activities. Our quality control system encompasses all aspects of our operations, including product design and development, sourcing and procuring of raw material, parts and components, production, packaging, inventory storage, delivery and after-sales services.

Our products and services are sold worldwide and are subject to different safety standards and quality requirements depending on the sales destination and/or consumer destination. We have also adopted the appropriate quality control system and engaged independent product testing and certification organizations to test and certify our products and services on the relevant standards of each target market. For example, our products undergo certification to meet requirements in different markets to ensure compliance with regional standards. We have also implemented ISO9001 certification and require suppliers to provide documentation certifying the non-use of harmful substances.

We have a set of quality control measures covering the raw material and packaging material supply, product manufacturing, storage, logistics and sales, to ensure our products comply with relevant quality standards, laws and regulations. Our quality control measures primarily consist of the following:

- *Quality assurance team:* We established a quality assurance team, which is primarily responsible for establishing, improving and executing our quality control measures to ensure that our products comply with national and industry-wide quality standards.

- *Quality inspection system:* We established a comprehensive inspection system consisting of (i) on-site inspection, which covers production processes and manufacturing quality; and (ii) sampling and testing, which ensures products meet our technical specifications and quality standards before delivery to customers.

- *Standardized quality control rules:* We have implemented comprehensive quality control procedures covering all stages of production. Our quality control processes include production line inspection with on-site quality checks during manufacturing to identify and address issues early, finished product inspection through random sampling and testing after production completion, and documentation and approval procedures requiring quality verification before warehouse entry.

- *Customers' feedback on product quality:* We closely monitor customer feedback to identify potential quality issues and implement timely improvements to our products and manufacturing processes.

- *Supplier quality management:* We conduct regular supplier evaluations based on incoming material quality (requiring high pass rates for qualification-free inspection status), production quality, and collaboration. For outsourced production, we station quality personnel at supplier facilities and conduct pre-shipment inspections.

- *Subcontractor management:* Prior to establishing business partnerships with subcontractors, we conduct qualification assessments. For outsourced production, we implement quality control processes including on-site inspections at subcontractors' facilities. Our quality assurance team conducts sampling inspections of appearance, functionality and packaging according to established standards before shipment. Products must pass these inspections to be released, with any non-conforming items handled according to our quality management procedures.

As a result of our adherence to quality control procedures, we did not experience any material sales returns or any material product liability or major legal claims due to product safety and quality control issues, and we did not have any material product recalls during the Track Record Period and up to the Latest Practicable Date. Our warranty term is usually limited to defects or failure of products or services that do not meet the quality standards as specified and agreed with our customers. In case of product failure within the warranty period, we will arrange for repair or replacement of products and/or services without extra charge. After the warranty period expires, we may provide maintenance and repair services at a reasonable cost.

AFTER-SALES SERVICE

We believe that high-quality after-sales service is integral to our brand reputation and customer satisfaction. Our after-sales services have been developed and optimized alongside our product portfolio growth to ensure users worldwide receive timely, effective, and local market-oriented support.

In our core Japanese market, we provide service through three primary channels: App-based contact and messaging, online text chat, and direct phone communication. All Japanese customer support functions are handled by our internal team to ensure consistent service quality and direct feedback collection. For our other global markets, including Europe and North America, we provide a similar multi-channel service approach while adapting to regional time zone differences. We maintain internal customer support teams and selectively partner with business process outsourcing providers to ensure timely support coverage across different time zones.

Our service network employs a network-based customer relationship management system and our self-developed systems that enables us to efficiently record, track, and manage user relationships. This system allows us to respond to customer needs promptly and continuously improve user experience based on data-driven insights.

We offer warranty services that vary by product type and market to comply with local regulations and industry standards. Products sold through our self-operated website typically come with a 30-day no-reason return policy. For higher-value robot products, after remote diagnosis by our R&D team, repair services are provided by qualified repair vendors in the respective sales regions. For smaller robot products, we typically resolve issues through replacement shipping to ensure rapid resolution. For products sold through Amazon VC, we are generally not responsible for product returns. However, under certain circumstances, such as defective products, Amazon may request refunds or replacements for returned items, which may include return shipping costs, in accordance with the relevant agreement. For products sold through Amazon SC, Amazon handles returns and exchanges, while we cover the related costs under the Fulfillment by Amazon service.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product recalls. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not received any customer complaints that have materially and adversely affected our business operations. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our after-sales services amounted to RMB5.1 million, RMB13.7 million, RMB17.1 million, RMB6.0 million and RMB12.8 million, respectively. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total sales of products returned to us amounted RMB6.4 million, RMB11.6 million, RMB20.0 million and RMB11.9 million, respectively, representing 2.3%, 2.5%, 3.3% and 3.0%, respectively, of our total revenue. We believe that our overall return rates were generally in line with industry standards during the Track Record Period.

We have implemented a systematic approach to continuously improve our products based on after-sales feedback. We hold weekly after-sales synchronization meetings where customer feedback is collected and discussed. Our mobile application includes a dedicated feedback entry point that channels information to us. Customer support representatives categorize issues before forwarding them to relevant R&D teams, and product managers actively collect user feedback and communicate with technical teams to implement necessary optimizations. In addition, our service policies are regularly updated to align with target market standards and all after-sales service team members receive training on product knowledge and customer communication to ensure consistent service delivery across regions.

CUSTOMERS

We sell products to end consumers, retailers, and distributors. To the best knowledge of our Directors, all of our five largest customers in each year/period during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these customers during the Track Record Period and up to the Latest Practicable Date.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the five largest customers in each year/period during the Track Record Period amounted to RMB164.0 million, RMB229.3 million, RMB289.1 million and RMB211.8 million, accounted for 59.6%, 50.2%, 47.4% and 53.5% of our total revenue for the respective periods. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the largest customer in each year/period during the Track Record Period amounted to RMB145.1 million, RMB178.2 million, RMB218.6 million and RMB175.2 million, accounted for 52.8%, 38.9%, 35.8% and 44.2% of our total revenue for the respective periods.

The following table sets forth the details of our five largest customers in each year/period during the Track Record Period:

For the Year ended December 31, 2022

Rank	Customer	Principal Business	Place of Incorporation	Types of Products Sold	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Home robotic system products and other smart home products	2019	90	145,080	52.8
2.	Customer A	The company is primarily engaged in the manufacture of electronic equipment	Japan	Home robotic system products and other smart home products	2020	Prepayment	8,828	3.2
3.	Customer B	The company is primarily engaged in the trading of electronics	Japan	Home robotic system products and other smart home products	2017	15	3,930	1.4
4.	Thames Distribution B.V.	The company is primarily engaged in the provision of smart home products and consumer electronics	Netherlands	Home robotic system products and other smart home products	2022	30	3,382	1.2
5.	WAKERS INC.	The company is primarily engaged in the provision of smart home services	South Korea	Home robotic system products and other smart home products	2019	Prepayment	2,765	1.0
Total							**163,985**	**59.6**

For the Year ended December 31, 2023

Rank	Customer	Principal Business	Place of Incorporation	Types of Products Sold	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Home robotic system products and other smart home products	2019	90	178,186	38.9
2.	Customer C	The company is engaged in retail and distribution of IT products	Japan	Home robotic system products and other smart home products	2023	90	36,934	8.1
3.	Customer D	The company is primarily engaged in retail business	Japan	Home robotic system products and other smart home products	2023	Prepayment	5,783	1.3
4.	FLH Co. Ltd.	The company is primarily engaged in the provision of customized smart home solutions	Taiwan, the PRC	Home robotic system products and other smart home products	2021	Prepayment	4,379	1.0
5.	Customer B	The company is primarily engaged in the trading of electronics	Japan	Home robotic system products and other smart home products	2017	15	4,008	0.9
Total							**229,290**	**50.2**

For the Year ended December 31, 2024

Rank	Customer	Principal Business	Place of Incorporation	Types of Products Sold	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1.	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Home robotic system products and other smart home products	2019	90	218,634	35.8
2.	Customer C	The company is engaged in retail and distribution of IT products	Japan	Home robotic system products and other smart home products	2023	90	45,713	7.5
3.	FLH Co. Ltd.	The company is engaged in the provision of customized smart home solutions	Taiwan, the PRC	Home robotic system products and other smart home products	2021	Prepayment	13,435	2.2
4.	Customer D	The company is primarily engaged in retail business	Japan	Home robotic system products and other smart home products	2023	Prepayment	7,330	1.2
5.	Customer E	The company is primarily engaged in the wholesale of electronics, smart home devices, and modern technology products	Poland	Home robotic system products and other smart home products	2022	Prepayment	4,023	0.7
Total							**289,135**	**47.4**

For the six months ended June 30, 2025

Rank	Customer	Principal Business	Place of Incorporation	Types of Products Sold	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1	Amazon	The company is a multinational technology company primarily engaged in e-commerce (including retail sales of consumer products), cloud computing, advertising, digital streaming and artificial intelligence. It also provides subscriptions services (such as logistics and warehousing) to the participants of its e-commerce platform.	United States	Home robotic system products and other smart home products	2019	90	175,233	44.2
2	Customer C	The company is engaged in retail and distribution of IT products	Japan	Home robotic system products and other smart home products	2023	90	25,208	6.4
3	FLH Co. Ltd.	The company is primarily engaged in the provision of customized smart home solutions	Taiwan, the PRC	Home robotic system products and other smart home products	2021	Prepayment	7,849	2.0
4	Customer F	The company is primarily engaged in the sales and distribution of electronic and electrotechnical articles	Germany	Home robotic system products and other smart home products	2024	Partial prepayment with the balance settled on a 60-day credit term	2,396	0.6
5	Customer D	The company is primarily engaged in retail business	Japan	Home robotic system products and other smart home products	2023	Prepayment	1,109	0.3
Total							**211,795**	**53.5**

Contracts with Customers

During the Track Record Period, we primarily entered into agreements with our retailers and distributors. For details of the salient terms of these agreements, please refer to "— Our Sales and Distribution Network" above in this section.

Our Relationship with Amazon

We have cultivated our relationship with Amazon since 2018. We sell our products through Amazon SC and Amazon VC. During the Track Record Period, we derived a significant portion of our revenue from the sales to Amazon under Amazon VC and sales conducted through online marketplace under Amazon SC. Therefore, Amazon has been and continues to be an important sales channel for us. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, revenue generated from the sales through Amazon SC amounted to RMB79.8 million, RMB120.0 million, RMB173.0 million, RMB62.7 million and RMB90.4 million, respectively, representing 29.1%, 26.3%, 28.4%, 22.8% and 22.8%, respectively, of our revenue. As we built our presence in the market, in June 2019, we were approached by Amazon to join Amazon VC in Japan, which led to the establishment of our Amazon VC business relationship. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, revenue generated from Amazon VC amounted to RMB145.1 million, RMB178.2 million, RMB218.6 million, RMB112.4 million and RMB175.2 million, respectively, representing 52.8%, 38.9%, 35.8%, 40.9% and 44.2%, respectively, of our total revenue. The increases were mainly due to (i) our continued promotion and marketing efforts which enhanced brand awareness; (ii) the expansion of our presence on Amazon across international markets; (iii) the timely introduction of new products on Amazon; and (iv) the continued enhancement of our home robotics system product lineup through both upgraded iterations of existing products such as lock robots and smart hubs and introduction of new product categories, which broadened our market reach and attracted additional customer segments.

We target the same end users, i.e., Amazon's online purchasers and shoppers, under Amazon SC and Amazon VC for our products. Under Amazon SC, we sell products at retail price to shoppers on Amazon marketplace directly while we use certain services offered by Amazon. In addition, we also procure certain services from Amazon to support our operations. These services primarily include fulfilment and warehouse services as well as marketing and advertising services related to our sales activities on Amazon, and cloud computing services to support our overall IT infrastructure. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our total purchases from Amazon for such services amounted to RMB52.7 million, RMB57.9 million, RMB84.3 million, RMB38.7 million and RMB44.8 million, respectively. The details of the key terms of such services are set out below:

- ***Fulfilment and warehouse services:*** We utilize the FBA service in connection with our sales on Amazon under Amazon SC. Under the applicable terms for this service, Amazon stores our inventory in its fulfilment centers and handles order picking, packing, shipping, as well as customer service and the processing of customer returns for orders it fulfils. For these services, we pay Amazon (i) per-unit fulfilment fees, which are charged when an order is shipped and vary based on the product's category, size tier, and shipping weight; and (ii) monthly inventory storage fees. Our use of this service is also subject to our compliance with Amazon's policies on inventory preparation, including those for labeling and packaging. Pursuant to the applicable policies, we may be eligible for reimbursement for inventory that is lost or damaged while under Amazon's control, such as when it is in an Amazon fulfilment center or being delivered to a customer. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, fees relating to the fulfilment and warehouse services we procured from Amazon amounted to RMB15.5 million, RMB16.3 million, RMB21.8 million, RMB7.9 million and RMB13.1 million, respectively, representing approximately 8.6%, 7.2%, 7.4%, 5.8% and 7.2% of our cost of sales for the respective periods.

- ***Marketing and advertising services:*** We use Amazon's marketing and advertising services to promote our products on Amazon. These services comprise various advertising solutions, such as sponsored product listings, which enhance the visibility of our products within customer search results and on product detail pages. By leveraging these tools, we seek to increase traffic to our product listings and drive sales on the Amazon platform. Under the applicable terms, we pay fees based on Amazon's own measurements of advertising performance, such as the number of clicks or impressions our advertisements receive, and we must raise any fee-related claims within 60 days of the charge. We are responsible for all activities under our advertising account and must ensure our advertising materials comply with Amazon's policies and applicable laws. The terms provide that Amazon may terminate for convenience with 15 days' advance notice, and may suspend or terminate our use of the services immediately for cause, such as for a material breach. Amazon's liability to us is limited to the total fees we paid in the six-month period prior to a claim. Furthermore, we are required to indemnify Amazon against certain third-party claims arising from our advertising content or our use of the service. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, fees relating to the marketing and advertising services we procured from Amazon amounted to RMB29.3 million, RMB28.2 million, RMB39.7 million, RMB18.3 million and RMB25.0 million, respectively, representing approximately 28.7%, 20.6%, 23.1%, 25.8% and 23.4% of our selling and distribution expenses for the respective periods.

- ***Cloud computing services:*** We utilize AWS as our primary cloud computing service provider for our overall IT infrastructure. Our utilization of AWS focuses on core services for application management to orchestrate our backend services, scalable data storage for files such as firmware updates, and managed database operations for structured data like user profiles. Pursuant to the applicable service terms, fees are generally charged on a monthly basis based on our usage. Under the terms, AWS is required to implement reasonable and appropriate security measures. We are able to specify the AWS region where our content is stored, and AWS will not access our content or move it from our selected region except as required for service provision or by law. We are responsible for the proper configuration of the services and for the security and backup of our own content. Either party may terminate the agreement for an uncured material breach. We may terminate for any reason at any time, while AWS may terminate for convenience with at least 30 days' notice. AWS's liability is limited to the fees we paid for the relevant service in the 12 months prior to a claim, and the terms exclude AWS's liability for any loss of our data or for indirect damages. We are also required to indemnify AWS for claims arising from our content or our use of the service. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, fees incurred for our use of AWS amounted to RMB7.8 million, RMB13.4 million, RMB22.8 million, RMB12.5 million and RMB6.8 million, respectively, representing approximately 12.6%, 15.0%, 20.4%, 22.0% and 11.6% of our research and development expenses for the respective periods.

Under Amazon VC, we sell products directly to Amazon at negotiated wholesale prices, which may be lower than our retail price. We may offer additional discounts during major promotional events based on our negotiations with Amazon, who then sells our products to end consumers under its own accounts. We employ a channel separate strategy to prevent channel competition between our Amazon SC and Amazon VC channels within the same regional marketplace. Consequently, from an end consumer's perspective, a specific product is typically offered through either the SC or the VC channel in a given region, but not concurrently through both.

Our strategic channel selection, when it comes to using either Amazon SC, Amazon VC or both, is tailored to the specific characteristics of each market, including its scale and our brand's local influence. In Japan, our largest market during the Track Record Period, we employ a hybrid model utilizing both Amazon SC and Amazon VC channels. We commenced sales in Japan in 2017, and our early market entry has provided us with profound insights into local consumer preferences and home environments. This has been instrumental in establishing and solidifying our market leadership. Our strong brand recognition and market position in Japan afford us the strategic flexibility to leverage the high-margin, high-control Amazon SC channel while also benefiting from the scale and resource support of the Amazon VC channel. In Australian market where we have a relatively smaller presence, we utilize only the Amazon VC channel, not the Amazon SC channel. This approach allows us to leverage Amazon's extensive resources and reduces our need for local operational investment. For markets with significant growth potential, such as Europe and North America, we initially focused on the Amazon SC channel over the Amazon VC channel to retain greater flexibility and control over our sales and marketing strategies. As our business has scaled in these markets during the Track Record Period, particularly in Europe, we have adjusted our approach accordingly. In October 2025, we commenced sales through the Amazon VC channel in Europe to further capitalize on our growing revenue base and accelerate market penetration.

From an end consumer's perspective, purchases made through Amazon VC and Amazon SC are presented differently on Amazon's websites. Where our products are sold through the Amazon VC channel, such as in Australia, the product detail page identifies Amazon as the seller on the product page. Where our products are sold through the Amazon SC channel, the product page identifies us, under our brand or storefront name, as the seller. Accordingly, in Japan, where we utilize both the Amazon VC and Amazon SC channels, an end consumer can ascertain the purchasing channel by referring to the seller information on the product detail page. If it identifies Amazon as the seller, the customer is purchasing under the Amazon VC channel; whereas if it identifies us, under our brand or storefront name, as the seller, the customer is purchasing under the Amazon SC channel.

We have entered into framework agreements with Amazon for the SC and VC, the salient terms of which are set out as follows:

	Amazon SC	Amazon VC
Credit control and settlement arrangement:	Amazon generally remits to us via direct deposit our available balance within 14 days after customers' order delivery and payment receipt net of any applicable fees associated with using services provided by Amazon.	Amazon typically makes payment via direct deposit within 60 days after the end of the month in which the invoice is issued net of any applicable fees associated with using services provided by Amazon.
International logistics arrangements:	We arrange shipping of products to Amazon's Fulfillment Centers. We retain ownership of the products until the products are sold and delivered to the customers. We generally bear the risk of damage or loss of the products.	We deliver the products to the Amazon-designated carrier. Ownership and risk of damage or loss for the products shall pass to Amazon when we deliver the products to such carrier.
Customs duty:	We bear the customs duties imposed on our products.	Amazon bears the customs duties imposed on our products.
Fulfillment and warehouse services:	We typically utilize Amazon's fulfillment and warehousing services, where Amazon ships units from their warehouses to our customers on our behalf.	Amazon is responsible for warehousing and fulfillment services.
Product return:	Our customers can generally return the purchased products within 30 days of receipt from Amazon.	Under normal circumstances, Amazon assumes responsibility for product returns.

According to the Frost & Sullivan Report, the above arrangements and terms under Amazon SC and Amazon VC are in line with industry norms.

Reasons for Cooperation with Amazon

According to the Frost & Sullivan Report, the favorable nature of internet, particularly the potential unlimited geographic coverage, promptness and inclusivity, allows e-commerce marketplace to be an increasingly important sales channel in the smart home industry and in particular, the home robot industry and home robotic system industry. We started selling our products through online channels in 2017, and have been placing heavy emphasis on online sales channels ever since then.

According to the Frost & Sullivan Report, the global e-commerce market is dominated by a few major platforms, with Amazon being the largest in many of our key markets. According to the Frost & Sullivan Report, in terms of sales amount in 2024, Amazon accounted for more than 35%, 15% and 35% of total e-commerce sales in the United States, Europe and Japan, respectively, significantly outperforming other local e-commerce platforms in each respective market. In North American and European markets, Amazon holds a dominant position, making it a critical channel for any brand seeking significant market penetration. Similarly in Japan, our largest market, Amazon, represents a major portion of the e-commerce activity.

Vendors of home robots in general and home robotic system products in particular primarily sell products through Amazon in our key markets. According to the Frost & Sullivan Report, a significant percentage of online sales from the top smart home appliances are generated from Amazon and Amazon is the largest e-commerce marketplace in many of our target markets. As such, Amazon is the most critical e-commerce marketplace for vendors of smart home devices to conduct online retail business.

Amazon's large and diverse customer base enables business vendors to achieve more market exposure from those who regularly shop online. According to the Frost & Sullivan Report, for market players who focus on online sales, Amazon, in most cases, is their primary online retail channel. Therefore, it is an industry norm for market players like us to have Amazon as a significant online retail channel. In addition, according to the Frost & Sullivan Report, Amazon's well-developed review system and user-friendly website interface help Amazon continuously expand its customer base. Through our relationship with Amazon, particularly through Amazon VC, we can access premium marketing resources and have gained valuable market insight and marketing support through our continuous communications with the representatives from Amazon. As such, we believe we are able to reach more customers and enhance our brand recognition on Amazon than through other channels.

Considering the aforementioned advantages of Amazon, as well as the benefits of utilizing various services provided by Amazon for our products that are sold on its platform, we generally use Amazon's official services. For instance, Amazon's extensive warehousing and logistics network enables us to experience cost efficiencies in logistics, while the use of FBA service offers advantages in terms of timeliness and cost-effectiveness. Similarly, compared to other promotional services, utilizing Amazon's promotional services for sales on its platform narrows the gap between marketing activities and actual purchase conversions, which creates a smoother and more direct path from advertising efforts to completed sales, thereby enhancing the efficiency and effectiveness of advertising expenditures.

While maintaining our strong presence on Amazon, we have been actively diversifying our sales channels to include our self-operated website, other e-commerce marketplaces and retailers and distributors to expand our sales channels and mitigate reliance on any single platform. With respect to the services provided by Amazon, as long as our relationship with Amazon does not materially and adversely change or terminate, we expect to continue to have access to these services. Meanwhile, for services such as fulfilment and warehouse services as well as marketing and advertising services provided by Amazon, we believe that we will be able to obtain comparable third-party alternatives within a reasonable timeframe and at a reasonable cost.

Well-established and Mutually Beneficial Relationship with Amazon

We have maintained a stable business relationship with Amazon for approximately seven years, having commenced selling our products to retail end consumers through Amazon SC in 2018 and joining Amazon VC in 2019.

Our Directors consider that the interests of our Group and Amazon align.

- *To us:* We are able to increase our sales by leveraging the high user traffic on Amazon. When we list our products on Amazon, we have access to a large pool of consumers, which increases our products' exposures to end consumers. Besides, Amazon offers us convenient back-end supports and save our costs and time in logistics, inventory management and customer services. Thus, we are able to devote more time and resources in brand building and product development. Moreover, since Amazon is one of the biggest and most trusted global e-commerce websites and it operates its online marketplaces worldwide, collaboration with Amazon helps us expand our customer reach in different countries. We have been a top-rated seller on Amazon since 2018, leveraging our high-quality products and extensive marketplace experience. Our strong track record was recognized when Amazon awarded us the Best Partner Award, and the Grand Prize Best Partner Award.

- *To Amazon:* Amazon provides an open e-commerce marketplace for third-party vendors/sellers and offers end consumers a broad selection of products. We believe our innovative home robotic system products help expand and upgrade Amazon's product offerings in the smart home category, thereby enhancing their marketplace appeal to tech-savvy end consumers. In addition, our product quality and positive customer feedback contribute to Amazon's reputation for offering high-quality products to end consumers.

We believe our relationship with Amazon will not materially and adversely change or terminate in the foreseeable future. We have maintained stable relationship with Amazon since 2018. Our revenue generated from Amazon has been increasing steadily since we began operations. During our cooperation with Amazon, we have complied with Amazon's terms and conditions in all material aspects. During the Track Record Period and up to the Latest Practicable Date, we did not have any material breach of our agreements with Amazon, or any suspension or termination of our online stores on Amazon. We endeavor to ensure compliance with Amazon's terms and conditions in the future. As such, we do not foresee any material adverse change in our relationship with Amazon. We maintain transparent and smooth communication channels with Amazon mainly through designated vendor managers and account managers.

We believe such communications with Amazon have enabled us to address issues that arose from our cooperation with Amazon efficiently and enhanced mutual understanding between Amazon and us. We were invited to join Amazon VC in 2019. Our products have a proven track record of sales on Amazon e-commerce marketplace as evidenced by the significant growth of our sales volume on Amazon during the Track Record Period. We believe we can maintain steady growth in terms of sales revenue from Amazon, and on the other hand, we believe Amazon is able to benefit from our technologically advanced and reliable product offerings, which help enhance their product catalog and appeal to tech-savvy end consumers. Therefore, we believe our business relationship with Amazon will remain stable.

Having considered the factors mentioned above, our Directors are of the view that the likelihood that our relationship with Amazon will materially adversely change or terminate is remote.

Our Directors are of the view that in the unlikely event that our relationship with Amazon materially adversely changes or terminates, we would be able to cooperate with other e-commerce marketplaces readily at similar terms, having considered that:

- we have established business relationships with other e-commerce marketplaces and retailers during the Track Record Period in addition to Amazon. Revenue generated from channels other than Amazon increased from RMB49.7 million for the year ended December 31, 2022 to RMB218.3 million for the year ended December 31, 2024, representing a CAGR of 109.6% between 2022 and 2024. Similarly, revenue generated from channels other than Amazon increased from RMB99.8 million for the six months ended June 30, 2024 to RMB130.7 million for the six months ended June 30, 2025.

- we have been continuously diversifying our online sales channels to include non-Amazon platforms, as well as our own website.

- we have a retail sales and marketing team focusing on expanding our cooperation with chain retailers and distributors. According to the Frost & Sullivan Report, besides Amazon, online stores of traditional retailers are important online channels for home robots and home robotic system productors vendors. Since traditional retailers are continuously developing their online sales channels, they actively collaborate with home robot brand owners, so that they can enrich their online product portfolio; and

- our strong design and R&D capabilities enable us to constantly launch innovative products to meet the evolving needs of our customers, making our products highly attractive to end users.

Ability to Mitigate Reliance on Amazon and Sustainability of Our Business

Mitigation of Reliance on Amazon as a Key Customer and a Sales Channel

Our business grew rapidly during the Track Record Period. According to the Frost & Sullivan Report, we ranked first in Japan's home robotic system industry in terms of revenue in 2024. With an aim to sustain our growth, we have taken initiatives to diversify our sales channels and reduce our reliance on Amazon.

We continuously make efforts to enhance customer loyalty and enlarge our customer base. Through the years, we believe we have gained credibility and trust from end consumers and wide market recognition. We believe the popularity and recognition of our products are due to high quality, our innovative and aesthetic product design, and our product development capabilities. Our products generally have positive customer reviews. We believe customers who are satisfied with our products are likely to make repeat purchases from us and recommend our products to other users through word of mouth. According to the backend data of our SwitchBot App, approximately 55.9% and 35.7% of all users who had registered with our SwitchBot App as of the Latest Practicable Date had connected two or more, and three or more, of our products with the SwitchBot App, respectively. These figures have increased steadily from approximately 48.2% and 27.7% as of December 31, 2022, respectively, demonstrating our strong customer retention and increasing product adoption across our ecosystem. We believe our "SwitchBot" brand has been receiving increasing recognition in the broader home robot market, in particular in the home robotic system industry.

To further improve user experience and bring potential business opportunities, we developed the SwitchBot App, which serves as the central control interface for our products, allowing users to control and monitor their smart devices. We believe our SwitchBot App makes our customers' daily life more convenient, efficient and enjoyable, which in turn helps enhance the attractiveness of our product offering and expand our user base. We also attend international trade fairs and participate in renowned international product design competitions to exhibit our work, collect potential customers' feedback on our ideas, and enhance our brand awareness to attract potential customers.

Additionally, although Amazon was our largest sales channel during the Track Record Period, we are not bound to sell our products exclusively through Amazon. We maintain flexibility in selecting our sales partners and are expanding our sales channels. Starting from 2019, we developed relationships with renowned chain retailers and other e-commerce marketplaces. Leveraging our successful e-commerce operation experiences, accumulated logistic service resources and increased human and financial resources, we are determined to further diversify our sales channels, in particular through channels other than Amazon.

We are also expanding our sales channels with a particular focus on increasing sales on our self-operated website. Our self-operated website has experienced steady growth during the Track Record Period, with revenue increasing from RMB20.5 million in 2022 to RMB88.7 million in 2024, representing a CAGR of 108.2%. Revenue generated from our self-operated website increased from RMB35.8 million for the six months ended June 30, 2024 to RMB60.6 million for the six months ended June 30, 2025. Our other online marketplaces, which form part of our DTC channels alongside Amazon SC and our self-operated website, have also experienced rapid growth during the Track Record Period, with revenue increasing from RMB0.9 million in 2022 to RMB42.0 million in 2024, representing a CAGR of 581.4%. Revenue generated from these other online marketplaces increased from RMB21.8 million for the six months ended June 30, 2024 to RMB26.5 million for the six months ended June 30, 2025. We believe well-known brands generally have greater independence from third-party sales channels. We have continuously improved our product design by incorporating customers' feedback to improve customer satisfaction and to improve our brand recognition. Additionally, we have been working to increase our sales to other large national retailers other than Amazon and distributors. During the Track Record Period, we have successfully developed and expanded our relationship with retailers in Japan and North America.

If there should be any unforeseen circumstances, under which we are unable to sell products through Amazon, including suspension of our accounts or withholding our sales proceeds, we will initiate communication with Amazon through account manager or vendor manager in a timely manner. At the same time, we will form a working group comprising our Amazon product manager, legal and compliance officer, chief financial officer and executive Directors to start internal review on the situation. We will consult with professional consultant if necessary. A report on clarification or rectification will be submitted to Amazon to resume trading of our accounts or release of our sales proceeds. If the situation persists and the problem cannot be solved in a reasonable period of time, we will retrieve our products from Amazon's warehouse and re-sell the products on non-Amazon channels. Should Amazon withhold our sales proceeds and such withholding results in working capital difficulties, we will seek alternative funding sources, such as banking facilities, to replenish our working capital. Leveraging our successful e-commerce operational experience, accumulated logistics service resources, and increased human and financial resources, we believe that we are capable of redirecting the sales of products currently sold through Amazon to non-Amazon channels in a timely manner and under similar terms.

Mitigation of Reliance on Amazon's Operational Services

We procure a suite of services from Amazon to support our business under Amazon SC and Amazon VC. The Directors believe that the decision to use these services is commercially and strategically beneficial. Given Amazon's leading market share in global e-commerce, utilizing its integrated services offers significant advantages. However, the Directors are of the view that this reliance is manageable and does not pose an undue risk to the sustainability of our business, as we retain the flexibility to switch to alternative service providers in a timely fashion and at a reasonable cost. We have formulated the following strategies to mitigate our reliance on the services we procure from Amazon:

- ***Fulfilment and warehouse services:*** In terms of fulfillment and warehouse services we use for our sales through Amazon, we utilize the FBA service for its advantages in cost and timeliness stemming from Amazon's extensive logistics network. However, we also maintain contact with third-party overseas warehouse service providers in our major markets. In the event we cease to use FBA service, we can utilize these providers and ship products directly to end consumers under the Fulfilled-by-Merchant (FBM) model. While the scope of service coverage offered under the FBA and FBM models is generally comparable, the pricing structure of FBA is typically more competitive due to the highly integration with Amazon marketplace. Nevertheless, the FBM model has advantages, including: (i) we maintain greater control over logistics and inventory management, allowing for the flexible adjustment of strategies based on order volume to effectively optimize costs; (ii) multiple sales channels within the same geographic market can share supply chain resources, thereby amortizing comprehensive logistics and warehousing costs; (iii) we are able to autonomously and uniformly manage returns and exchanges; and (iv) direct engagement with end consumers facilitates more effective brand management and customer relationship maintenance. During the Track Record Period, we utilized the FBM model for sales conducted through our Amazon SC channels.

- ***Marketing and advertising services:*** We use Amazon's on-platform marketing and advertising services because they are highly effective for customer conversion due to their proximity to the point of sale. Should we need to replace these services, we are able to obtain comparable or more favorable terms from alternative advertising providers utilizing off-platform marketing and advertising channels such as search engines and social media marketing to attract consumers and direct them to our Amazon product pages via external links. While the operational mechanics of Amazon's on-platform advertising and off-platform marketing differ, we believe both are similarly effective in driving customer traffic and conversion. While Amazon's on-platform services are designed to capture existing customer demand and influence purchasing decisions close to the point of sale, off-platform channels such as search engines and social media are used to build broader brand awareness and drive new customer traffic to our product listings on Amazon as opposed to only focusing on potential customers already on the Amazon platform. As a result, while Amazon's on-platform advertising can be effective due to strong user purchase intent, off-platform channels can sometimes provide more cost-efficient ways to reach wider audiences. In addition, we have experience in successfully managing such off-platform marketing and advertising activities.

- ***Cloud computing services:*** We utilize AWS for our primary cloud infrastructure, taking into account factors such as its global market position, reliability, scalability, and comprehensive service offerings, which we believe are well-suited to support our global operations and the data storage and processing needs of our products. Furthermore, our integration with the broader Amazon ecosystem provides operational synergies. We conducted a thorough assessment of several other large-scale, global cloud service providers and are of the view of that, in light of the highly competitive nature of the cloud computing services market, comparable alternatives that can meet our operational requirements are available. Our assessment concluded the following:

(i) ***Service quality and coverage:*** While AWS offers certain advantages in the breadth of its global node coverage, alternative providers have sufficient service capabilities and infrastructure within our core markets, including Japan, Europe, and North America. The service stability, data transfer efficiency, and technical support responsiveness offered by these alternatives are sufficient to support the operational needs of our existing product portfolio and systems.

(ii) ***Commercial terms:*** Based on our assessment, comparable services are available from alternative providers on commercial terms, in particular, service fees, that are no less favorable than those of our current arrangements.

(iii) ***Migration feasibility:*** Our current use of AWS is concentrated on application management, data storage, and database operations, all of which are based on common industry standards and do not present a risk of technical vendor lock-in. We have assessed the process for migrating to an alternative provider and estimate that a full migration could be completed at a reasonable cost. To further minimize any potential disruption, such a migration could be executed in phases.

Therefore, our choice to continue using AWS is a strategic decision based on its leading capabilities in areas such as global edge node deployment and multi-region disaster recovery, which better support our potential future expansion into new and emerging markets. Given that we are able to switch to alternative providers in a timely and cost-effective manner in the unlikely event of a service disruption or termination of the agreement with AWS, our Directors believe that our reliance on AWS is manageable, commercially driven, and does not pose a material risk to our business continuity.

Based on the availability of these viable alternatives for fulfilment, marketing, and cloud computing services, our Directors are of the view that our reliance on Amazon's services is manageable and does not pose a material risk to the sustainability of our business.

Sustainability of Our Business

According to the Frost & Sullivan Report, the outlook for the global home robotic system industry remains positive, with total market share in terms of retail sales forecasted to reach approximately RMB70.7 billion by 2029, representing a CAGR of 64.2% between 2024 and 2029, primarily attributable to the sustainable growth in the demand for high-quality home automation experience, the continuous technology advance achieved in the IoT networks and the more mature applications of related technologies that enhance the performance of home robots. Our Directors believe that we will be able to leverage our competitive strengths to capitalize on the increasing market demand for home robotic system products in particular and home robots in general.

Despite our current reliance on Amazon, in light of (i) our well-established and mutually beneficial business relationship with Amazon and our proven track record of well-performing and compliant operations on Amazon; (ii) Amazon's inclusiveness as an open e-commerce marketplace; (iii) our flexibility and efforts in expanding our sales channels; (iv) our growing customer base and our continuous effort to attract potential customers; (v) our strong brand image and innovative product portfolio that attracts interests from customers; and (vi) our capability to maintain our business in light of the positive outlook for the market, our Directors consider that our business is, and will remain, sustainable.

As disclosed in the section headed "Business — Our Sales and Distribution Network — Overview" in this prospectus, the breakdown of our Group's revenue by channel showed that the portion of the revenue generated from Amazon (for both Amazon VC and Amazon SC) to our Group's total revenue decreased from approximately 81.9% for the year ended December 31, 2022 to approximately 64.2% for the year ended December 31, 2024 and accounted for approximately 67.0% for the six months ended June 30, 2025. Such overall decreasing trend was recorded during a period when our Group's revenue increased from RMB274.6 million for the year ended December 31, 2022 to RMB609.9 million for the year ended December 31, 2024 and reached RMB396.3 million for the six months ended June 30, 2025. In other words, our Group's sales through channels other than Amazon had grew at a faster rate than the rate of increase of our Group's total revenue. These results have demonstrated the effectiveness of our plan to mitigate our reliance on Amazon and the sustainability of our business. Based on the foregoing, our Directors are of the view that our plan to mitigate our reliance on Amazon, if continues to be carried out effectively, can reduce our reliance on Amazon and that the sustainability of our business does not unduly rely on Amazon.

Based on (i) the review of our Company's financial performance which reflects a decreasing trend in the percentage of sales derived by Amazon during the Track Record Period; and (ii) the discussion with the management regarding their plan to reduce our Company's reliance on Amazon and the implementation of such plan, nothing has come to the attention of the Joint Sponsors which cause them to cast doubt on the reasonableness of our Directors' view that our Company's plan to mitigate its reliance on Amazon, if continues to be carried out effectively, can reduce its reliance on Amazon and that the sustainability of its business does not unduly rely on Amazon.

MARKETING AND PROMOTION

Our marketing approach focuses on creating viral, shareable content that leverages our customers as marketing ambassadors rather than relying primarily on paid media. This strategy generates organic growth through word-of-mouth and social media engagement, allowing us to operate with a relatively lean marketing team and budget compared to competitors of similar scale. We emphasize creating memorable content that resonates with users, highlighting product experience and user stories, and targeting specific communities and influencers who can amplify our message.

We have a professional sales and marketing team with extensive industry experience and excellent business development skills. As of the Latest Practicable Date, our operation and marketing team consisted of 151 personnel. We seek to explore the use cases of our products through maintaining and building relationships with our existing or new customers. To achieve this, we adopt multi-faceted marketing initiatives, including industry exhibitions, digital marketing, content marketing, search engine marketing and advertising campaigns, among others. For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, our selling and distribution expenses were RMB102.1 million, RMB136.7 million, RMB171.9 million, RMB71.0 million and RMB106.8 million, respectively, representing 37.2%, 29.9%, 28.2%, 25.8% and 27.0% of our revenue for the same periods, respectively.

We have built a strong brand identity emphasizing intelligence and innovation, simplicity in design and user experience, premium quality, and our interconnected product ecosystem. We focus our brand building on specific consumer segments rather than broad mass-market awareness, allowing for more efficient resource allocation and targeted messaging. Our target demographics and specific consumer segments primarily comprise end consumers who are highly interested in innovation, technological advancements, smart home solutions, and advanced consumer electronics designed to enhance their quality of life.

Digital channels form the core of our marketing strategy. We maintain an active presence across social media platforms, particularly on visual platforms like Instagram and YouTube. We create high-quality content showcasing product use cases and benefits, including videos, user testimonials, and educational content. We also invest in creating and nurturing user communities, encouraging customers to share their experiences online.

While digital marketing is our primary focus, traditional marketing plays a strategic role. We maintain relationships with tech and lifestyle media outlets for product reviews and feature stories. We participate in selected industry events and trade shows in our key markets. Through partnerships with premium retailers, we secure in-store placement and showcase opportunities.

We adapt our marketing strategies to different regional markets. In Japan, our most mature market, we employ both digital and traditional approaches, leveraging our strong brand recognition. For Europe, we employ market-specific adaptations, working with local media. In North America, we focus primarily on e-commerce channels and influencer marketing.

Our promotional strategy includes seasonal promotions aligned with major e-commerce events and seasonal occasions. We develop specific promotions for e-commerce platforms, our direct website, and retail partners. Our promotional tactics include product bundling, limited-time discounts, early adopter incentives, referral programs, and subscription models with promotional pricing.

We measure marketing effectiveness through among others, data-driven approaches, tracking customer acquisition costs, customer journey attribution, return on investment analysis, and lifetime value calculations. Our marketing team works closely with operations and finance to ensure marketing investments align with overall business objectives. For international influencer campaigns, we implement formal tracking and reporting processes, with partners providing performance reports including engagement metrics and conversion data.

OVERLAPPING OF CUSTOMER AND SUPPLIER

To the best knowledge and belief of our Directors, for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we sourced certain services from Amazon, which was our largest customer in each period during the Track Record Period. During the Track Record Period, we generated revenue from the sales of our home robotic system products to Amazon. At the same time, we used the fulfillment and warehouse services offered by Amazon in connection with our sales made using its e-commerce platform, for which we paid the relevant service fees.

As confirmed by our Directors, (i) negotiations of the terms of our sales to and purchases from the overlapping customer and supplier were conducted on an individual basis and the sales and purchases were neither inter-connected with nor inter-conditional upon each other; and (ii) the major terms of transactions with the overlapping customer and supplier were similar to those with our other customers and suppliers and were in line with normal commercial terms.

The table below sets forth the revenue and purchases attributable to Amazon during the Track Record Period.

	For the years ended December 31			For the six months ended June 30,
	2022	2023	2024	2025
Revenue *(RMB'000)*	145,080	178,186	218,634	175,233
Percent of our total revenue *(%)*	52.8	39.0	35.8	44.2
Purchases *(RMB'000)*	15,541	16,337	21,804	13,090
Percent of our total purchase *(%)*	8.2	7.7	6.0	6.3

COMPETITION

We face competition from a number of companies that provide products similar to ours. According to the Frost & Sullivan Report, the competition in the global home robotic system industry has gradually intensified in recent years. At present, some major market players have accumulated high levels of financial, technological and marketing resources and may be able to devote greater resources to the development, promotion, sales and support of their platforms in offering products and services. We mainly compete with other providers of home robotic system products in markets where we operate on product price, quality, industry experience, technology, sales channel and brand awareness. The key entry barriers to enter into home robotic system industry include, among others, (i) technical architecture barriers, (ii) ecosystem construction barriers, (iii) product development barriers, and (iv) brand reputation barriers. For details of such barriers, please refer to the section headed "Industry Overview" in this prospectus.

According to the Frost & Sullivan Report, the global home robotic system industry is a rapidly evolving sector with significant growth potential. As of 2024, the market size reached RMB5.9 billion, and the market size is projected to reach RMB70.7 billion, with a CAGR of approximately 64.2% from 2024 to 2029.

In this competitive landscape, we hold a unique position as a company that has achieved comprehensive product deployment of home robotic systems across wide-ranging home living scenarios as of the Latest Practicable Date, according to Frost & Sullivan Report. According to Frost & Sullivan Report, we ranked first globally among providers of home robotic systems in terms of retail sales in 2024. In addition, we held leading positions in multiple product categories in terms of retail sales in 2024. For further details on the competitive landscape of our industry, please see the section "Industry Overview" in this prospectus.

Our Directors foresee our competitive strengths will solidify and further enhance our business with the implementation of our strategies. Please refer to the paragraphs headed "Competitive Strengths" and "Business Strategies" above in this section for further information. Coupling with our competitiveness and the potential increase in demand for home robotic system products in the global market, particularly in Japan, Europe, and North America, our Directors believe we will be able to maintain our strong market position notwithstanding the increasing competition we face in the home robotic system industry.

SEASONALITY

Our financial condition and results of operations are subject to seasonal fluctuations. We typically carry out more sales and marketing activities before and during holiday seasons and other traditional festivities in the regions we operate in order to capture more sales opportunities.

We typically have increased sales before and during these holiday seasons, festivals and events. Our sales generally peak during the fourth quarter, driven by major shopping events including Amazon Big Deal Day, Black Friday, and end-of-year holiday shopping seasons across our markets.

As a result, for the years ended December 31, 2022, 2023 and 2024, revenue generated in the fourth quarter accounted for 32.6%, 30.0% and 26.1% of our total annual revenue, respectively. This seasonality pattern requires us to carefully manage our inventory levels, production capacity, and marketing resources to meet anticipated demand during peak seasons while avoiding excessive inventory during slower periods.

PATH TO SUSTAINABILITY

We have demonstrated a clear trajectory toward sustainable profitability. During the Track Record Period, we achieved significant financial improvements, with our net losses narrowing from RMB87.0 million in 2022 to RMB16.4 million in 2023, and further to RMB3.1 million in 2024. Our adjusted EBITDA (non-IFRS measure) turned positive for the first time in 2023 and increased to RMB26.1 million in 2024. Marking a pivotal milestone in our path to sustainability, we recorded a net profit of RMB27.9 million for the six months ended June 30, 2025, achieving profitability for the period.

We believe our path to sustainable profitability is clearly defined and will be primarily driven by the following factors: (i) steady revenue growth; (ii) continuous gross profit improvement; (iii) operational leverage through economies of scale that will reduce our selling and distribution, administrative and research and development expenses as a percentage of our revenue; (iv) improvements of our operating cash flow position; and (v) our cost optimization and profitability enhancement measures.

Steady Revenue Growth

Our revenue has demonstrated consistent growth throughout the Track Record Period, increasing from RMB274.6 million in 2022 to RMB457.3 million in 2023, and further to RMB609.9 million in 2024, representing a CAGR of 49.0% from 2022 to 2024. Our revenue also increased from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. This significant growth trajectory has been fueled by our strategic expansion of product categories and enhanced functionalities, which have garnered increasing consumer acceptance and market recognition.

We have strategically intensified our R&D investments to broaden our product portfolio and enhance their capabilities, significantly strengthening our competitive positioning in the market. Looking forward, we anticipate sustained revenue momentum driven by two key factors: (i) our accumulated technological expertise and expanding product matrix have diversified our revenue streams, establishing a solid foundation for future growth. As of the Latest Practicable Date, we have been developing more than 10 products covering all of our product categories and we plan to launch approximately 10 products within the next 12 months, including both new products and enhancements to our existing products. For example, our AI companion robot was officially launched in

September 2025 and is currently undergoing the production optimization phase; and our first model of humanoid chore robot is expected to be launched by the end of January 2026; and (ii) the global home robotic system industry is experiencing explosive growth. According to Frost & Sullivan Report, the market is expected to grow with a CAGR of 64.2% from 2024 to 2029. As an established player in this rapidly evolving industry, we are exceptionally well-positioned to capitalize on substantial market opportunities.

Our omni-channel sales strategy has undergone significant optimization during the Track Record Period. In 2022, revenue contribution from DTC channels, retailer channels, and distribution channels represented 36.8%, 62.6%, and 0.5% of our total revenue, respectively. By 2024, this distribution evolved to 49.8%, 40.1%, and 10.1%, respectively, reflecting a more balanced and resilient channel architecture. The impressive CAGRs achieved across these channels from 2022 to 2024: 73.3% for DTC, 19.3% for retail, and 587.1% for distribution, underscore the effectiveness of our multi-channel strategy in driving sustainable growth.

Concurrently, we have systematically strengthened our presence in key markets, achieving strong revenue CAGRs of 44.7%, 68.1%, and 42.5% in Japan, Europe, and North America, respectively, from 2022 to 2024. We believe our penetration in these strategic markets remains in nascent stages, presenting substantial headroom for growth as we deepen market penetration and expand our customer base in these regions.

Rapid Gross Profit Improvement

Our gross profit has experienced strong growth, increasing from RMB94.1 million in 2022 to RMB230.5 million in 2023, and further to RMB315.6 million in 2024, representing an impressive CAGR of 83.1% from 2022 to 2024. Our gross profit increased from RMB138.8 million for the six months ended June 30, 2024 to RMB214.8 million for the six months ended June 30, 2025. Our gross profit margin has shown remarkable improvement, rising from 34.3% in 2022 to 50.4% in 2023, and further to 51.7% in 2024. Our gross profit margin increased from 50.5% for the six months ended June 30, 2024 to 54.2% for the six months ended June 30, 2025.

Since 2022, we have consistently enhanced our gross profit margin through strategic product iterations, innovative new product launches, and systematic cost optimization initiatives, which led to an improved product mix where higher-margin products constitute a higher proportion of total revenue, higher ASPs for our key product categories, and reduced cost of sales. For detailed analysis of our gross profit margin during the Track Record Period, please refer to the section headed "Financial Information — Period to Period Comparison of Results of Operations" in this prospectus.

The stabilization of our gross profit margin above 50% in 2023 and 2024 illustrated the success of our value-oriented product strategy and operational efficiency measures. This steady gross profit performance provides a solid financial foundation for sustained profitability and enables continued investment in innovation and market expansion, further reinforcing our competitive advantages and leadership position in the global home robotic systems market.

Operational Leverage Through Economies of Scale

During the Track Record Period, our selling and distribution expenses as a percentage of revenue generally declined to 37.2%, 29.9%, 28.2%, 25.8% and 27.0% for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, demonstrating improving operational efficiency. As a market leader in a new and fast-growing market, we needed to invest more heavily in marketing during the early stages to educate end consumers about our products. However, as our sales revenue increases, the relative proportion of these related expenses will decline. This positive trend reflects our strengthening of brand recognition, more efficient marketing strategies, and the benefits of word-of-mouth recommendations from our growing customer base. We anticipate this trend to continue as our marketing campaigns become more targeted and localized, further optimizing our customer acquisition costs while maintaining growth in new markets.

Our administrative expenses as a percentage of revenue amounted to 7.6%, 5.3%, 5.3%, 5.8% and 7.8% for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. Administrative expenses benefit from significant economies of scale, as our administrative personnel do not need to grow at the same rate as our revenue growth, given that administrative expenses mainly consist of general administrative costs. This stabilization at 5.3% in 2023 and 2024 demonstrates that we have established an effective operational structure that balances corporate governance with cost efficiency. We expect to maintain this efficiency while selectively strengthening our administrative capabilities in key strategic areas to support sustainable long-term growth.

Our R&D expenses as a percentage of revenue amounted 22.5%, 19.5%, 18.4%, 20.6% and 14.8% for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. We have achieved progressive improvements in research and development expense efficiency during the Track Record Period. While we will continue to maintain R&D investments and sustain R&D spending growth, the proportion of R&D expenses relative to revenue will continue to decline as we achieve greater economies of scale. This trend reflects our maturing product portfolio, increasingly efficient R&D processes, and the growing commercialization of our existing innovations. Additionally, as our revenue continues to expand at a faster rate than our research and development expenses, we anticipate further optimization of this ratio without compromising our commitment to technological advancement and product innovation. Our strategic focus remains on balancing prudent R&D investment with sustainable growth, ensuring we maintain our competitive edge while improving overall profitability.

These three expense categories represent our largest cost components outside of production costs during the Track Record Period, and their combined proportion of revenue amounted to 67.3%, 54.7%, 51.9%, 52.2% and 49.6% for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. As our revenue scale continues to expand, economies of scale will gradually emerge. We expect these three expense categories to maintain their declining trend as a percentage of revenue, thereby improving our net profit margin.

Improving Operating Cash Flow Position

We recorded net cash flows used in operating activities of RMB107.0 million and RMB31.3 million for the years ended December 31, 2022 and 2024, respectively, and recorded net cash flows generated from operating activities of RMB24.6 million for the year ended December 31, 2023.

The fluctuations in our operating cash flow position during the Track Record Period primarily reflected our operating results and working capital movements. In 2022, the significant cash outflow of RMB107.0 million was mainly attributable to our loss before tax of RMB86.9 million. We incurred substantial expenditures in overseas brand development, channel expansion, R&D for new products and marketing activities in 2022. Although such expenditures led to our net cash outflows from operating activities during the year, they were expected to strengthen our brand recognition and enhance our long-term competitiveness. In 2023, we recorded net cash inflows generated from operating activities as a result of a substantial decrease in our loss before tax from RMB86.9 million in 2022 to RMB16.3 million in 2023, as a result of the improved gross profit margin. This improvement reflected the results of our initiatives undertaken in the previous year, which drove revenue growth in 2023. In 2024, we recorded net cash used in operating activities of RMB31.3 million, mainly due to increased working capital requirements to support our business expansion, such as the increase in our inventories to support our expanding sales activities. For details, please refer to the section headed "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis — Net Cash Flows Used in/Generated from Operating Activities" in this prospectus.

Our Cost Optimization and Profitability Enhancement Measures

To enhance our profitability and strengthen our liquidity position, we have implemented the following cost control measures: (i) with respect to research and development, we optimized resource allocation by leveraging shared core technologies across product lines and we plan to collaborate with academic institutions to access external research capabilities and talent, thereby improving development efficiency; (ii) with respect to production, we adopted standardized design and modular manufacturing to enable component commonality and bulk procurement, which enhanced our negotiating power when purchasing components from our suppliers. We also optimized product architecture from the design stage to achieve cost reductions; and (iii) with respect to sales and marketing, we leverage our established brand recognition and user base to lower customer acquisition costs, including through our online store within SwitchBot App, which facilitates direct purchases and repeat orders. We further enhanced marketing efficiency through targeted campaigns supported by our international influencer network and our historical marketing experience.

RECENT REGULATIONS IN RELATION TO TARIFFS, EXPORT CONTROLS AND SANCTIONS

Tariff Policies

The U.S. government has implemented a series of executive actions in 2025 that significantly escalated trade restrictions on Chinese-origin goods, including our home robotic system products. On February 1, 2025, a broad 10% tariff was imposed on all imports from China, effective on February 4, 2025, pursuant to Executive Order 14195 titled "Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China." On March 3, 2025, this so-called fentanyl-related tariff was further raised to 20%. This was followed by Executive Order 14257 on April 2, 2025, entitled "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits," which introduced minimum tariff rates of 10% applicable to imports from all countries and established a country-specific tariff regime of additional tariffs targeting nations with substantial trade imbalances, including China. Within days, the country-specific tariffs on many Chinese products were increased to 84%, and then to 125% which, in combination with the 20% so-called fentanyl tariffs, brought the tariff rate on most imports from China to 145%. On May 12, 2025, the United States and China announced a 90-day tariff rollback agreement following bilateral negotiations in Geneva, which rolled back the country-specific tariff to a baseline of 10% for 90 days. On August 11, 2025, amidst continued negotiations, the two sides announced an additional 90-day extension until November 10, 2025. On November 4, 2025, the U.S. government issued an Executive Order titled "Modifying Reciprocal Tariff Rates Consistent with the Economic and Trade Arrangement Between the United States and the People's Republic of China," which continued the suspension of the heightened PRC-specific reciprocal tariffs until November 10, 2026; during this suspension, the 10% reciprocal tariff on PRC-origin goods remains in effect. On November 7, 2025, the U.S. government published a Federal Register notice reducing the additional fentanyl-related tariff under Executive Order 14195 from 20% to 10%, effective November 10, 2025. As a result, during the suspension period, the combined tariff burden applicable to many PRC-origin goods, including our products to the extent covered, consists of a 10% reciprocal tariff plus a 10% fentanyl-related tariff, subject to other applicable duties, exclusions, and product-specific classifications. For details of (i) the changes in policies issued by the U.S. in relation to imports from China; and (ii) the changes in policies issued by China in relation to imports of U.S. origin, see "Regulatory Overview — Laws and Regulations in Relation to Importation of Goods into the United States — Tariffs." The U.S. tariff and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. As of the Latest Practicable Date, based on the best knowledge, information and belief of the Directors, the maximum U.S. tariff rate applicable to our core home robotic system products was 63%. While we do not believe such tariffs will materially and adversely affect our business operations and financial performance, we will closely monitor the developments relating to such tariffs.

We believe that the U.S. tariffs imposed on certain of our products are not expected to have, and have not had during the Track Record Period, any material adverse impact on its business operations or financial performance, based on the following considerations:

Demonstrated resilience of our business to tariff impact

The resilience of our business to the impact of U.S. tariffs is multifaceted, demonstrated by our successful global market diversification, market focuses of our key customers, and distinct product and operational strengths that provide a competitive buffer.

Successful implementation of our market diversification strategy

We have been consistently implementing a global market expansion strategy, which has reduced our reliance on the U.S. market and created a diversified global revenue base. The rapid growth in other countries and regions has significantly strengthened our ability to mitigate potential risks related to the U.S. market.

While revenue from the U.S. market has continued to grow in absolute terms, its contribution to our overall revenue growth has been relatively limited compared with other regional markets, as our growth has been primarily driven by faster expansion in Japan and Europe. The effectiveness of our market diversification strategy is demonstrated by the following analysis:

- Our total revenue increased by RMB152.6 million, or 33.4%, from RMB457.3 million in 2023 to RMB609.9 million in 2024. During this period, revenue growth from the U.S. was RMB8.4 million, increasing from RMB78.5 million in 2023 to RMB86.9 million in 2024. In contrast, revenue growth from other countries and regions reached RMB144.2 million, increasing from RMB378.8 million in 2023 to RMB523.0 million in 2024. As such, the U.S. market contributed only 5.5% of our total revenue growth during this period, while the remaining 94.5% of our revenue growth was contributed by other countries and regions. In particular, the amount of revenue growth from other countries and regions only was equivalent to 166.0% of the total revenue generated from the U.S. in 2024.

- This trend accelerated in the first half of 2025. Our revenue increased by RMB121.3 million, or 44.1%, from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. Revenue from the U.S. market contributed RMB2.2 million to this growth, increasing from RMB38.7 million for the six months ended June 30, 2024 to RMB40.9 million for the six months ended June 30, 2025. Meanwhile, revenue from other countries and regions contributed RMB119.1 million to this growth, increasing from RMB236.3 million to RMB355.4 million over the same period. Consequently, the U.S. market's share of our total revenue growth further declined to 1.8% for the six months ended June 30, 2025, while the remaining 98.2% of our revenue growth was contributed by other countries and regions. The growth from other countries and regions was equivalent to 291.5% of the total revenue generated from the U.S. in the first half of 2025.

As a result of our successful market diversification, for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, revenue generated from the sales in the U.S. amounted to RMB45.1 million, RMB78.5 million, RMB86.9 million, RMB38.7 million and RMB40.9 million, respectively, representing 16.4%, 17.2%, 14.2%, 14.1% and 10.3% of our revenue in the same periods, respectively. Although our absolute revenue from the U.S. continued to grow, its consistently declining proportion of our total revenue demonstrates our success in diversifying our market presence and reducing our dependence on the U.S. market.

Sales focus of our largest customers in markets outside the U.S.

We estimate that impact on our business and result of operations as a whole caused by the U.S. tariff incurred by our major customers is limited. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the five largest customers in each year/period during the Track Record Period amounted to RMB164.0 million, RMB229.3 million, RMB289.1 million and RMB211.8 million, accounted for 59.6%, 50.2%, 47.4% and 53.5% of our total revenue for the respective periods. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue generated from the largest customer amounted to approximately RMB145.1 million, RMB178.2 million, RMB218.6 million and RMB175.2 million, accounted for 52.8%, 38.9%, 35.8% and 44.2% of our total revenue for the respective periods.

To the best of our knowledge, none of our top five customers sold our products to end consumers exclusively to the United States. On the contrary, our five largest customers in each year/period during the Track Record Period, including Amazon VC, through which we sell products to non-U.S. markets such as Japan and Australia, focused their sales exclusively on countries and regions outside the United States.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in our order volume, pricing, customer payments, or logistics arrangements, nor had we received any requests from our five largest customers in each year/period during the Track Record Period to cancel orders or suspend delivery of our products as a result of the imposition of U.S. tariffs. In addition, as of the Latest Practicable Date, none of our existing contracts with our top five customers provided for price adjustments due to tariffs payable by our customers, and none of our top five customers had proposed the inclusion of such tariff-driven price adjustment mechanisms. We believe this strongly reflects that our products remain competitive in terms of quality and pricing, and that the U.S. tariffs have not resulted in any material loss of business to competing suppliers facing similar tariff exposure.

We possess strong product pricing power

Our innovative product designs, continuous upgrades, introduction of new models, and leading market position collectively give us strong pricing power. This is reflected in our ability to consistently increase the ASPs of our products while simultaneously achieving growth in sales volume and maintaining a healthy gross profit margin across our global markets. During the Track Record Period, the ASP of our core products have shown a consistent upward trend.

During the Track Record Period, our total sales volume grew from approximately 1.8 million units in 2022 to 2.4 million units in 2024. This growth occurred alongside price increases for our key products as we continued to introduce more technologically advanced models with more functions. For example, the ASP of our multitasking household robots increased from RMB1,815 in 2023 to RMB2,045 in 2024, while the ASP of our lock robots increased from RMB283 in 2023 to RMB338 in 2024, and further to RMB434 for the six months ended June 30, 2025. This ability to implement price increases without adversely affecting sales volume growth demonstrates our strong pricing power on a global scale.

We maintained our strong product pricing power in the U.S. market, where we have demonstrated resilience in the context of increased tariffs in 2025. Our business in the U.S. market continued to grow, which we believe is a strong indicator of our pricing power in that market.

Our revenue from the U.S. market increased from RMB38.7 million in the six months ended June 30, 2024 to RMB40.9 million in the same period in 2025. This revenue growth was driven by an increase in sales volume to the U.S. market during the same period even as the U.S. government drastically increased its tariffs on products manufactured in mainland China, which grew from approximately 120.8 thousand units for the six months ended June 30, 2024 to approximately 125.5 thousand units for the six months ended June 30, 2025. The willingness of U.S. importers, distributors, and end consumers to increase their purchase volumes of our products underscores the strong market demand we command in the U.S. market.

In addition, this growth in the U.S. market for the six months ended June 30, 2025 was achieved while we maintained or increased the ASP of our key categories as well as key models sold in that market. For our curtain robots category, we recorded an ASP of RMB428, RMB392, RMB392 and RMB448 in 2022, 2023, 2024 and for the six months ended June 30, 2025, respectively, demonstrating an overall upward trend in ASP. In particular, our SwitchBot Blind Tilt, which is a core product sold in our U.S. market, recorded an ASP of RMB317, RMB339, RMB345 and RMB382 in 2022, 2023, 2024 and for the six months ended June 30, 2025, respectively, representing a steady increase over the Track Record Period. Likewise, our latest curtain robot model, SwitchBot Curtain 3, which was introduced in the U.S. market in 2023, recorded an ASP of RMB506, RMB514 and RMB518 in 2023, 2024 and for the six months ended June 30, 2025, respectively. Our finger robots, another key product model in the U.S. market, recorded an ASP of RMB162, RMB160, RMB176 and RMB175 in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, which were relatively stable throughout the Track Record Period. In addition, our smart hubs category, which serves as the central "brain" of our home robotics ecosystem, recorded an ASP of RMB221, RMB252, RMB290 and RMB297 in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, showing a consistent upward trajectory. The ASP increases for our smart hubs were primarily driven by continuous product iteration and the introduction of new, more advanced models with enhanced functionalities, which enabled us to command higher price points while remaining competitive. Taken together, these product category-level and model-specific ASP developments during the Track Record Period demonstrate that we have been able to implement measured price adjustments, including for the same models, to help mitigate the adverse impact of increased tariffs on our products while maintaining our market competitiveness.

First-mover advantage and operational strengths

We believe the potential impact of U.S. tariffs is mitigated by favorable industry trends that align with our core strategic advantages. The U.S. tariff environment has accelerated a market shift towards higher-end, innovative products as customers seek to enhance unit value. Our strategic focus on technological innovation and the development of premium products positions us to capitalize on this trend.

Our market leadership is underpinned by our strong R&D capabilities and deep insights into consumer demands, which provides us with a significant first-mover advantage. By creating and commercializing entirely new product categories, we are able to set initial market prices with minimal competition, which provides a substantial buffer against potential tariff-related cost increases. For example, we successfully launched Acemate, an AI tennis robot, in May 2025. Designed for immersive, human-like practice, Acemate created a new market segment. During its launch on Kickstarter, Acemate had received orders totaling over RMB16.0 million, with more than 50% of the orders originating from the U.S. market. The strong U.S. demand for such an innovative product, even in a high-tariff environment, demonstrates the competitiveness of our product offerings. We have consistently integrated new technologies with innovative design concepts to define new product categories, which in turn strengthens our pricing power and enables us to maintain price levels sufficient to offset additional costs arising from tariff increases.

Furthermore, our operational flexibility, derived from our vertical integration and robust supply chain management, enables us to continuously adjust our procurement and production arrangements to optimize efficiency and cost in response to unforeseen events, such as increased U.S. tariffs.

Therefore, we believe the combination of favorable industry trends, first-mover advantage and operational flexibility significantly mitigates the potential adverse impact of U.S. tariffs on our business operations and financial performance.

Accordingly, the Directors are of the view that the U.S. tariffs have not had and are not expected to have any material adverse effect on our Group's business operations or financial performance. On the basis of their independent due diligence work conducted, nothing has come to the attention of the Joint Sponsors which cause them to cast doubt on the reasonableness of our Directors' views aforementioned.

Impact of PRC retaliatory tariffs on our procurement

In addition to the tariffs imposed on exports of our products to the U.S. market, we have also assessed the potential impact of PRC retaliatory tariff measures on our procurement of components from U.S.-branded suppliers. During the Track Record Period and up to the Latest Practicable Date, we sourced only a very limited number of components through intermediaries in China from U.S.-branded suppliers, mainly comprising (i) infrared receiver components and (ii) certain integrated circuits used as charging and driver chips. These are standardized, commoditized parts that are widely available from multiple alternative suppliers and brands in the market. For the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2025, our aggregate procurement amount in respect of such U.S.-branded components was approximately RMB0.6 million, RMB0.9 million, RMB1.9 million and RMB0.7 million, respectively, representing a de minimis portion of our total procurement costs in each of the same periods.

The infrared receiver components we procured are manufactured in Southeast Asia, and the relevant charging and driver integrated circuits we procured are fabricated and packaged in China. Although these components are supplied under U.S. brands, they are not manufactured in the United States and are not treated as U.S.-origin goods for PRC customs and tariff purposes. As such, they are not subject to the additional PRC retaliatory tariff measures that specifically target imports of U.S-origin goods. During the Track Record Period and up to the Latest Practicable Date, we did not incur any elevated tariff costs attributable to PRC retaliatory tariffs on U.S.-origin goods in respect of these components, and we did not experience any material increase in their procurement prices that was attributable to tariff tensions between the U.S. and China.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any disruption or delay in the supply of the above U.S.-branded components, nor were we required to suspend or adjust production as a result of PRC tariff-related supply constraints. Our procurement team monitors the supply landscape closely and, in the event that components currently sourced from U.S.-branded suppliers become subject to adverse PRC tariff changes or supply disruptions (for example, if future PRC measures were to extend to certain non-U.S. production origins of U.S.-branded components), we believe, based on publicly available information on similar components, that we would be able to substitute these components with functionally equivalent products from non-U.S.-branded suppliers or from alternative production origins without material technical modifications to our products and without incurring material incremental costs.

In view of (i) the very limited number and immaterial aggregate value of components currently sourced from U.S.-branded suppliers, (ii) the non-U.S. manufacturing locations of such components and the resulting limited direct exposure to PRC retaliatory tariff measures on U.S.-origin goods, (iii) the absence of tariff-driven cost increases or supply interruptions during the Track Record Period and up to the Latest Practicable Date, and (iv) the ready availability of substitute components from alternative suppliers and production origins, our Directors are of the view that existing and potential PRC retaliatory tariff measures affecting the procurement of such U.S.-branded components have not had, and are not expected to have, any material adverse impact on our Group's procurement costs, supply chain stability, business operations or financial performance.

U.S. Export Controls and Sanctions

The U.S. government has implemented a range of export controls and economic sanctions that restrict transactions involving certain countries, entities, individuals, and technologies, particularly those deemed critical to national security. These regimes are principally administered (i) under the Export Administration Regulations ("EAR") by the U.S. Department of Commerce, Bureau of Industry and Security ("BIS"), including the BIS Entity List and other BIS restricted-party lists, and (ii) by the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC"), including the Specially Designated Nationals and Blocked Persons List ("SDN List"). The BIS Entity List and the OFAC SDN List operate under different legal frameworks and give rise to different types of restrictions. In general, inclusion on the BIS Entity List results in the imposition of export control licensing requirements under the EAR on the supply, export, re-export or transfer of certain U.S.-origin items to the listed party. Dealings with an Entity List party are not automatically prohibited, but may require a license from BIS and, in some cases, such license applications may be subject to a presumption of denial. By contrast, persons designated on the OFAC SDN List are generally subject to comprehensive blocking measures, namely, U.S. persons are broadly prohibited from engaging in transactions or dealings with SDNs, and any property or interests in property of SDNs that come within U.S. jurisdiction must be frozen. In some cases, specified dealings by non-U.S. persons with SDNs may also give rise to secondary sanctions risk. For ease of reference, BIS-administered restricted-party lists are collectively referred to as the "BIS Lists", and OFAC-administered lists are collectively referred to as the "OFAC Lists".

We utilize certain semiconductor chips in our products, among which over 97% of the semiconductor chips concerned are non-U.S.-branded semiconductors sourced from non-restricted suppliers. The Directors are of the view that the potential risks related to U.S. sanctions or export controls on our use of such chips are minimal and that such regulations are not expected to have a material adverse impact on our business. This view is based on the following considerations:

(i) Our products are designed for household environments and are sold primarily to ordinary end consumers. The semiconductor chips incorporated in these products are used for standard functionalities, such as computing, control and seamless communication across our product ecosystem, rather than for advanced or sensitive applications such as military, aerospace, or defense.

(ii) As advised by our U.S. Legal Advisers, U.S. export control and sanctions restrictions administered under the EAR by BIS and by OFAC primarily focus on limiting access to advanced semiconductors, sensitive technologies, and transactions involving restricted jurisdictions, entities, individuals or end-uses for national security reasons. The semiconductors used in our products during the Track Record Period did not fall within the categories of advanced or sensitive semiconductors that are subject to heightened export control restrictions.

(iii) During the Track Record Period, we did not procure any products from entities designated on the OFAC Lists.

(iv) As advised by the U.S. Legal Advisers, none of our major semiconductor suppliers, nor their identified principal officers, appear on any BIS Lists or OFAC Lists. During the Track Record Period, we made only immaterial purchases (representing less than 0.1% of purchase amount for each year/period) of chips that were originally manufactured by BIS Lists suppliers. Such purchases were made through sourcing intermediaries, and we did not have any direct contractual or commercial relationship with those suppliers. These suppliers can readily be replaced with alternative suppliers offering semiconductors of comparable quality and terms. As of the Latest Practicable Date, we have ceased procuring semiconductors from the relevant suppliers. As advised by our U.S. Legal Advisers, our procurement activities do not trigger U.S. export-control restrictions under the EAR. We will also regularly monitor updates to the BIS Lists and OFAC Lists, and will promptly adjust our procurement arrangements as necessary in the event of any changes affecting our suppliers.

(v) As advised by our U.S. Legal Advisers, our consumer products do not involve military, proliferative or other sensitive applications and are not developed using misappropriated technology that could attract export controls or sanctions. Based on the nature of our products and the categories of semiconductors used, our products are not subject to U.S. sanctions laws or export control prohibitions, and our procurement and distribution activities do not trigger any licensing requirements under the EAR or OFAC regulations.

(vi) During the Track Record Period, approximately 3% of the semiconductors we procured were U.S.-branded chips, which were manufactured primarily in Asia. As advised by our U.S. Legal Advisers, under the EAR, foreign-manufactured semiconductors may still be subject to U.S. export control jurisdiction if they (i) contain above de minimis U.S.-controlled content, or (ii) fall within the scope of the foreign direct product rule. Based on information available to the Directors and the advice of our U.S. Legal Advisers, the semiconductors used in our products do not incorporate U.S.-controlled content above EAR thresholds, are not produced from controlled U.S. technology falling within the EAR's foreign direct product rule, and are therefore considered EAR99, a non-restricted export control classification applicable to items not subject to specific licence requirements.

Accordingly, based on the origin, classification and supplier status of our semiconductors, and on the advice of our U.S. Legal Advisers, the Group's procurement and use of such semiconductors do not trigger licensing or prohibition requirements under the EAR and do not present any material compliance risks or adverse impact on our procurement processes, operations or financial performance, and the Directors are of the view that existing U.S. sanctions or export control restrictions have not had, and are not expected to have, any material adverse effect on our Group's business operations or financial performance, and that the risk of future restrictions materially impacting our business is low. Based on the independent due diligence work conducted, nothing has come to the attention of the Joint Sponsors which cause them to cast doubt on the reasonableness of our Directors' views aforementioned.

Impact of Small Parcel Tariff Policy

In the United States, the "small parcel tariff" regime generally refers to the de minimis exemption under Section 321 of the U.S. Tariff Act, which, as advised by our U.S. Legal Adviser, allows low-value parcels (valued at US$800 or below) shipped directly to U.S. consumers to enter duty-free. As our products are shipped in bulk to U.S. warehouses and fulfilled locally to end consumers, such shipments do not fall within the scope of this de minimis small-parcel regime. Accordingly, the U.S. small parcel tariff policy has not had any material impact on our procurement costs, pricing or margins during the Track Record Period and up to the Latest Practicable Date. The Group will continue to monitor any changes in U.S. de minimis or import-duty policies and adjust its fulfilment arrangements as appropriate.

During the Track Record Period, we exported two product class and other component to Japan which were subject to, with maximum tariff rate of 5.3%. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our revenue contributed by sales of these tariffed product and component to Japan, accounted for approximately 0.2%, 3.0%, 3.7% and 10.1% of our total revenue, respectively. Based on the best knowledge, information and belief of the Directors, the product and component that is subject to tariffs and their applicable rates have remained unchanged during the Track Record Period.

Based on the best knowledge, information and belief of the Directors, apart from the U.S. tariffs and the Japanese tariffs as mentioned above, the Group's products were not subject to any import restrictions during the Track Record Period and up to the Latest Practicable Date.

OUR EMPLOYEES

As of the Latest Practicable Date, we had a total of 640 employees. As of the same date, 630 of our employees were located in mainland China, 10 of our employees were located in Japan. The table below sets forth a breakdown of our employees by function as of the Latest Practicable Date.

Function	Number of Employees	% of Total
Research and development	278	43.4
Production[(1)]	161	25.2
Operation and marketing	151	23.6
Administration	50	7.8
Total	**640**	**100.0**

Note:

(1) Including 122 assembly line workers and 39 mid-level production staff.

We believe that our success depends in part on our ability to attract, recruit and retain quality employees. We aim to establish a collaborative work environment that encourages them to develop their career with us. In addition, we have an effective training system, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of our workforce. Our orientation process covers subjects such as corporate culture and policies, work ethics and occupational safety. Our periodic on-the-job training covers environmental, health and safety management systems and mandatory training required by applicable laws and regulations.

To sustain our growth, we regularly review our capabilities and adjust our workforce to ensure we have the right mix of expertise to meet the demand for our products. We offer employees competitive salaries, and performance-based cash bonuses. We believe that our reputation, work environment, training system, remuneration package and employee share incentive plan are advantageous that attract qualified candidates. During the Track Record Period and up to the Latest Practicable Date, we adopted internet recruitment, social recruitment, campus recruitment and internal referral by existing employees, among other recruitment approaches. When considering and selecting qualified employment candidates, we take into consideration their education background, work experience, relevant expertise and specific skills, as well as the demand for and the objectives of the vacant positions.

As required by the applicable PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. We also purchase commercial health insurance for some of our Directors and key personnel, purchase accidental insurance for all of our staff and purchased comprehensive travel insurance for our staff during overseas business travel.

Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. We also plan to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

Our employees have not formed any employee union. We believe we maintain a cordial and fruitful working relationship with our employees, and we have not experienced any material labor disputes during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Fund Contributions

During the Track Record Period and up to the Latest Practicable Date, we did not pay social insurance and housing provident fund contributions in full for certain full-time employees based on their actual wages in accordance with the applicable PRC laws and regulations mainly due to their unwillingness to cooperate. The aggregate shortfall of social insurance and housing provident fund contributions amounted to RMB27.5 million during the Track Record Period. This non-compliance incident was primarily caused by requests by some of our full-time employees to make contributions to social insurance and housing provident funds for them based on a lower standard instead of their actual salaries, as they did not want to bear the full amount of their portion of the relevant contributions.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), social insurance and housing provident fund are divided into the employer's contributions and the employee's contributions. When full payment of social insurance and housing provident fund is made, both the employer and employee are required to make their respective contributions. Such contributions from employee's part are directly deductible from the employee's salary on a monthly basis, which will lead to a reduction in the amount of the salary received by the employee. Therefore, some of our employees were unwilling to make full contributions to social insurance and housing provident fund based on their actual salaries.

As advised by our PRC Legal Advisers, (i) if we fail to pay social insurance in accordance with PRC laws and regulations, we may be ordered by the competent PRC government authority to pay the outstanding balance within a prescribed period of time and an overdue fine of 0.05% of the total outstanding balance per day from the date of such failure of payment. If we fail to do so within the prescribed period, we may be subject to an administrative penalty ranging from one to three times of the total outstanding balance; and (ii) if we fail to pay the housing provident fund in accordance with the Chinese laws and regulations, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions or registration, nor had we received any order to settle any outstanding amount due. As of the Latest Practicable Date, we had not received any such notification from the relevant government authorities, which required us to make contributions for the outstanding amounts for all of our employees in full. Moreover, as of the same date, we were not aware of any complaint filed by our full-time employees regarding our social security insurance and housing provident fund policy. As advised by our PRC Legal Advisers, based on the foregoing, and in accordance with the existing applicable laws, regulations and policies, provided that we make full payment within the stipulated deadline, if required by the relevant authorities, the likelihood that we would be subject to material administrative penalties in the future is remote.

Our Directors believe that such non-compliance would not have a material adverse effect on our business and results of operations, considering that (i) pursuant to the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, it is prohibited for administrative enforcement authorities to organize a centralized collection of enterprises' historical social insurance arrears; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for any amount in addition to what we have paid to the social insurance and housing provident fund, and during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties; and (iii) we were neither aware of any employee complaints filed against us nor involved in any labor disputes with our employees with respect to the payment of social insurance or housing provident fund during the Track Record Period and up to the Latest Practicable Date. Based on the relevant regulatory policies, the confirmations and facts as stated above, our PRC Legal Advisers are of the view that, provided that we make full payment within the stipulated deadline, if required by the relevant authorities, the likelihood that we will be subject to any material penalties due to our failure to provide social insurance premiums and housing provident fund contributions in full for all of our full-time employees is remote. Based on the foregoing, our Directors are of the view, and our Reporting Accountants concur, that no corresponding provision for the aggregate shortfall of the social insurance and housing provident fund contributions in our historical consolidated financial information would need to be made.

DATA PRIVACY AND SECURITY

We take data privacy and security seriously and are committed to safeguarding the privacy of our customers and their personal information. We safeguard our information technology system, which covers cybersecurity, data security and terminal security, using various technologies including encryption, anti-virus software and firewall. We continuously upgrade such technologies to enhance our information security management and implement strict measures to protect and secure confidentiality of customer/membership data. For example, we have deployed web application firewall and bastion hosts, and implemented data encryption technologies and data backup measures. We have also adopted strict access control measures, retained access logs for auditing, and promptly intercepted and detected abnormal behaviors to prevent data leakage and unauthorized access. During the Track Record Period and up to the Latest Practicable Date, we did not experience any failure or breakdown of our information technology systems which resulted in a material adverse impact on our overall business operations.

Our business operations involve the collection, use, storage, retention, transfer, and other processing of personal data. Our end consumers primarily contact us through the online functions of the SwitchBot App and email. The types of data collected by us include, where applicable, smart terminal information (such as model and OS version), usage patterns, device operation logs, and crash/error reports. In addition, as is inherent to the operation of intelligent IoT devices, our products and services collect certain data during normal usage of the products, independent of whether end consumers contact us through email or SwitchBot App. Such data are collected on an automated basis when the products are in operation and are strictly necessary for the devices to function as intended, including, for example, the execution of remote commands via the cloud, the implementation of automation scenes and status monitoring. The data collected in this context include, where applicable, usage records such as device on/off and operation logs, device status information such as battery level and network connectivity status, environmental sensor data such as temperature and humidity, and spatial and navigation-related data required for route planning and execution for our enhanced mobile robots. While users may actively provide data when contacting our customer supports, the foregoing device event and usage data are collected passively in the ordinary course of product operation for the purpose of enabling and supporting core product functionalities.

We also collect consumer payment information as part of purchase records to complete the transactions when they make purchases and provide membership loyalty benefits to them. The consumer payment information we collect include billing and transaction details, contact and shipping information, payment method and channel information and third-party payment account information. Such consumer payment information is collected exclusively in respect of purchases made through our self-operated website. For these self-operated website transactions, we collect such consumer payment information as part of the purchase records to complete the transaction and, where applicable, to provide membership loyalty benefits to customers. The actual financial processing in respect of these transactions is handled by secure independent third-party payment service providers, and we do not store sensitive financial credentials, such as full credit card numbers, on our own servers. For sales conducted through third-party e-commerce platforms (such as Amazon SC and other online marketplaces), whether categorized under our DTC or retailer channels, as well as through offline retailers and distributors, we generally do not collect consumer payment information. In such cases, the relevant third-party platform, retailer or distributor is responsible for the collection and processing of consumer payment information, and we typically only receive order fulfilment-related information such as recipient name, shipping address and email to the extent necessary for delivery and after-sales support. The scope of data collected by us is limited to what is necessary for our operation of the relevant products and services.

We inform users of our data collection practices through published privacy policy (available on our self-operated website), and obtain user consent prior to collecting any personal data, in accordance with applicable data protection laws. Users may also withdraw their consent or request access to, correction or deletion of their personal data through the channels provided.

We have implemented certain policies and rules on customer data protection, such as operation standards for management of customers' information documents and operation standards for the management of computers and software. With the assistance of our PRC Data Compliance Adviser, and our Japanese Legal Advisers, EU Data Compliance Adviser and US Legal Advisers, being our external data compliance consultants, we have formulated a series of policies, including information security management policy, data compliance management policy, and user data classification and grading management policy. We regularly organize training for employees on personal information protection, and enter into confidentiality agreements with them. We have appointed a data protection officer to comprehensively oversee our data compliance. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material customer data privacy breaches, leakages or disputes.

In addition, when providing services to users, we may from time to time engage third-party service providers for data processing activities, including, but not limited to, data storage providers, customer support service providers, independent website building platforms, and logistics providers. Data shared to facilitate these functions includes user registration and device details, purchase and shipping records, and customer support logs. However, video content remains end-to-end encrypted to preclude access by both us and such service providers. We employ a proactive, multi-layered approach to ensure third-party compliance with security and data protection requirements, including (i) we have entered into Data Protection Agreements ("DPAs") with such third parties, which require them to process data strictly in accordance with our instructions, comply with security obligations, implement appropriate security safeguards, and assist in facilitating users' exercise of their rights. In the event of a data breach, we will promptly activate its emergency response plan, require such third-party service providers to identify the breach's cause, implement corrective actions, and notify users in accordance with applicable laws and regulations; (ii) we maintain a continuous third-party risk management process through supplier onboarding, risk assessments, and security practice evaluations (e.g., ISO/IEC 27001), with periodic reviews and enhanced supervision as needed; (iii) we use logging and auditing mechanisms to track third-party and cross-regional access, enabling proactive risk identification through continuous monitoring and periodic reviews; (iv) we apply encryption, network protection, and system security controls throughout the data lifecycle; (v) we conduct regular testing, reviews, and vulnerability management to ensure the effectiveness of third-party systems and traceability of security incidents; and (vi) we minimize and de-identify data shared with third parties, limiting access to only what is necessary and reducing breach risks. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage, data loss, or unauthorized use of end consumers' personal information in connection with our use of such third-party service providers.

We collect and maintain end consumers' personal information in accordance with the relevant laws and regulations on data privacy and security in the jurisdictions where we operate. With the assistance of our PRC Data Compliance Adviser, and our Japanese Legal Advisers, EU Data Compliance Adviser and US Legal Advisers, being our external data compliance consultants, we have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. Specifically, (i) we collect and use personal information in compliance with the principles of legality, legitimacy, and minimal necessity. We have adopted a comprehensive privacy policy that provides data subjects with clear and transparent disclosure regarding the circumstances, purposes, and categories of personal information processing. We obtain data subjects' consent, or rely on other applicable legal bases, through mechanisms such as pop-up notifications or other appropriate means, in accordance with applicable data protection laws and regulations; (ii) we have formulated a data localization storage strategy, and by default store personal information on local sites. We also follow the shortest necessary storage period and store data for the minimum period required by our business; (iii) when entrusting third parties to process data, we will enter into data protection agreements with such third parties, requiring them to fulfill data protection obligations; (iv) in the case of cross-border data transfer, we will, in accordance with the requirements of key jurisdictions, carry out cross-border data impact assessments, adopt security technical measures, and ensure the security and compliance of cross-border data flows by signing standard contractual clauses, obtaining data subject's consent, and other means; (v) we have established data subject rights response mechanism by specifying in the privacy policy the rights enjoyed by individuals (such as the right to inform, access, correct, and delete), and providing rights exercise channels.

While we prioritize a data localization storage strategy, defaulting to AWS nodes in the user's region, cross-border data transfers occur under certain circumstance including cross-border onward transfer via third-party platforms or supply chains. Platforms such as Shopify or logistics management system may transfer data across borders to facilitate order processing, warehousing, and delivery. To ensure secure and compliant cross-border transfers, we implement following measures: (i) contractual safeguards. Data transfers are governed by standard contractual clauses or internal agreements defining purpose, scope, and security obligations; (ii) access restrictions. Remote operations are tightly controlled to prevent unauthorized access, editing, or downloading; (iii) transfer impact assessments. High-risk transfers are evaluated, and reports retained for governance and compliance; and (iv) supervision and audit. Internal monitoring tracks cross-border data transfers to ensure oversight.

We also support users in exercising their rights through the online functions of the SwitchBot App. Internally, we have a smooth user rights exercise processing flow: after receiving a user request, we verify the user's identity, refer the relevant issues to the internal relevant departments (backend team, product team, legal department) for evaluation, and subsequently provide feedback to the user.

As advised our PRC Data Compliance Adviser, Japanese Legal Advisers, EU Data Compliance Adviser and US Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable laws and regulations in all material aspects with respect to data security and privacy protection in our major markets, namely Japan, Europe, and North America, respectively. Specifically, (i) according to our PRC Data Compliance Adviser, we have implemented cybersecurity compliance measures in accordance with PRC law, with no investigations, enforcement actions, or related litigation; (ii) according to our Japanese Legal Advisers, SwitchBot JP maintains documentation and internal policies aligned with APPI obligations, with practices generally compliant with applicable law; (iii) according to our EU Data Compliance Adviser, measures have been implemented to achieve GDPR-level protection, with personal data processing largely compliant, reflecting a structured and systematic privacy and compliance framework; and (iv) according to our US Legal Advisers, no material non-compliance was identified. There are no pending or historical claims, investigations, or enforcement actions concerning consumer privacy, data protection, or breach notification obligations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of end consumers' personal information.

As of the Latest Practicable Date, we have not received any cybersecurity, data security or personal data protection related enquiries from any competent regulatory authorities.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received recognition for the quality and popularity of our products. Some of the significant awards and recognitions we have received are set forth below.

Award Year	Award/Recognition	Awarding Institution/ Authority	Entity/Product
2025	Guangdong Province Famous and Excellent High-Tech Products (廣東省名優高新技術產品)	Guangdong High-Tech Enterprise Association (廣東省高新技術企業協會)	SwitchBot Curtain
2024	National Key Specialized and Sophisticated "Little Giant" Enterprises (國家專精特新重點「小巨人」企業)	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)	Woan Technology

Award Year	Award/Recognition	Awarding Institution/ Authority	Entity/Product
2023	New High-Tech Enterprise (高新技術企業)	Shenzhen Science and Technology Innovation Committee (深圳市科技創新委員會), Shenzhen Finance Bureau (深圳市財政局) and Shenzhen Taxation Bureau of the State Taxation Administration of the PRC (國家稅務總局深圳稅務局)	Woan Technology
2023	National Intellectual Property Advantage Enterprises (國家知識產權優勢企業)	China National Intellectual Property Administration (國家知識產權局)	Woan Technology
2022	Guangdong Intelligent Networking Home Control Engineering Technology Research Center (廣東省智能組網家居控制工程技術研究中心)	Guangdong Science and Technology Department (廣東省科學技術廳)	Woan Technology
2025	Best in IFA Next	IFA Berlin	AI companion robot, Acemate AI tennis robot
2025	Best in Emerging Tech	IFA Berlin	AI companion robot
2025	Best Inventions of 2025	TIME Magazine	Acemate AI tennis robot
2022–2023	Red Dot Winner	Red Dot GmbH & Co. KG	Lock robot, curtain robot, smart camera, smart hub
2022	Grand Prize Best Partner Award	Amazon	SwitchBot JP
2022–2025	iF Design Award	iF International Forum Design GmbH	Curtain robot, enhanced mobile robot, smart hub
2022	International Design Excellence Awards	Industrial Designers Society of America	Lock robot

Award Year	Award/Recognition	Awarding Institution/ Authority	Entity/Product
2021	Best Partner Award	Amazon	Woan Technology
2021	Golden Pin Design Award	Taiwan Design Research Institute	Curtain robot
2020–2023	Good Design Award	Japan Institute of Design Promotion	Curtain robot, enhanced mobile robot, smart sensor, smart camera, other smart home product

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are critical to our continued success and competitiveness. As of the Latest Practicable Date, our Group had registered (i) 191 trademarks, 307 patents (including 54 invention patents), 22 software copyrights, and six work copyrights in the PRC; (ii) 113 trademarks, four patents (including two invention patents), and one work copyright in other jurisdictions; and (iii) three domain names which we consider to be material or may be material to our business. See "Appendix VI — Statutory and General Information — 2. Further Information about Our Business — B. Our Intellectual Property Rights".

We have taken the following key measures to protect our intellectual property rights, including: (i) implementing a set of comprehensive internal policies to establish effective management over our intellectual property rights; (ii) timely registration, filing and application for ownership of our intellectual properties; (iii) actively tracking the registration and authorization status of intellectual properties and taking action in timely manner if any potential conflicts with our intellectual property rights are identified; and (iv) clearly stating all rights and obligations regarding the ownership and protection of intellectual properties in the employment agreements we enter into.

We rely upon a combination of patent, trade secret, copyright and trademark laws, license agreements, confidentiality procedures, and technical measures to protect intellectual property used in our businesses. We seek to protect our proprietary technologies and processes by entering into confidentiality arrangements with our Directors, senior management and other key personnel. All of our R&D personnel are required to sign confidentiality and proprietary information agreements. These agreements require such personnel to assign to us all inventions, designs and technologies they develop during the course of employment with us and to keep our proprietary information confidential.

Despite our precautions, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement of our intellectual properties or any material disputes or claims against us in relation to the infringement of intellectual properties of third parties arising from our business.

LICENSES, PERMITS AND APPROVALS

The following table sets out a list of material licenses and permits currently held by us for our operations:

Entity	Name of the License	Jurisdiction	Issue Date	Expiry Date
Woan Technology	Record of consignor and consignor of customs import and export goods (海關進出口貨物收發貨人備案)	Mainland China	September 29, 2017	–[(1)]
Woan Technology	Internet Content Provider Registration Record (ICP備案)	Mainland China	June 22, 2022	–[(1)]
Our Company	Internet Content Provider Registration Record (ICP備案)	Mainland China	November 10, 2025	–[(1)]

Note:

(1) The renewal of this license is not required.

According to our PRC Legal Advisers, we have obtained all licenses, permits, approvals and certificates that are material for our business operations in the PRC and such licenses, permits, approvals and certificates are valid and subsisting.

We have obtained all licenses, permits, approvals and certificates that are material for our business operations in Japan and the United States and such licenses, permits, approvals and certificates are valid and subsisting.

We are required to renew such licenses, permits, approvals and certificates from time to time. We do not expect any material legal obstacles in such renewal once the relevant documents are submitted as required by the relevant government authorities.

For details of the laws and regulations of China and other major overseas markets that are applicable to our business operations, please see the section headed "Regulatory Overview" in this prospectus.

INSURANCE

As of the Latest Practicable Date, we maintained various insurance policies including product liability insurance covering potential claims arising from product defects or failures, vehicle insurance for our company-owned vehicles, and employee-related insurance including social insurance and commercial health insurance.

We maintain insurance in respect of our operations in China, Japan, Europe and North America. These insurance policies cover the risk of damage arising from natural disasters and certain accidents. Most of our insurance policies are subject to standard deductions, exclusions and limitations.

We believe that our insurance coverage is adequate and in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims.

For more information, please refer to "Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption." in this prospectus.

PROPERTIES

As of the Latest Practicable Date, we did not obtain any land use rights certificates or building ownership certificates. As of the Latest Practicable Date, we leased 18 buildings in China with a total GFA of approximately 63,823.85 sq.m. and two properties in Japan with a total GFA of approximately 182.2 sq.m. The lease agreements for these properties generally have a term between two and 10 years. The properties we leased are primarily used for production, warehouse or office purposes.

As of June 30, 2025, no single property interest that forms part of non-property activities has a carrying amount of 15%, and no single property interest that forms part of property activities has a carrying amount of 1%, of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

Legal Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China and other major jurisdictions where our products are sold. During the Track Record Period and as of the Latest Practicable Date, we did not commit any material and systemic non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, results of operations or financial condition. As advised by our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in mainland China in all material respects. Additionally, as advised by our Japanese Legal Adviser, US Legal Advisers and German and EU Legal Advisers, we have complied with applicable laws and regulations in the respective key markets in all material respects during the Track Record Period and up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Governance Regarding Environmental, Social and Climate-related Risks

We are fully aware of our responsibilities toward the society. As a corporate citizen, we strive to contribute to higher standards of living, wealth and quality of life wherever we operate. We demonstrate our corporate citizenship foundations through our strong commitment to safeguard our environment as well as many social responsibility initiatives. We have various governance measures in place to oversee the implementation of ESG related policies, which are embedded in our standard operating procedures. We also plan to issue ESG report annually to disclose our efforts and achievements in ESG.

Our Board has authorized our Company to establish a three-tier ESG management organizational structure, consisting of an ESG Management Committee, an ESG Secretariat, and an ESG Working Group. The ESG Management Committee serves as the executive responsible body, primarily focusing on researching ESG-related legal matters, identifying and managing ESG-related risks with significant impact, and evaluating ESG performance. Under the ESG Management Committee, the ESG Secretariat is responsible for coordinating and advancing ESG issue management, as well as overseeing ESG-related information disclosure. The ESG Working Group acts as the specific executing body for ESG tasks, responsible for promoting the implementation and realization of ESG issues, and collecting progress performance on ESG topics from various responsible departments. Each topic is assigned a responsible person from the respective department heads. We continuously seek opportunities to improve ESG measures, evaluate business operations and financial conditions, identify ESG-related risks within the business, and take mitigation measures.

We may be exposed to possible financial losses and non-financial detriments arising from environmental and climate-related risks. These risks include: (i) transition risks, being the risks arising from compliance with the applicable environmental laws and regulations and the stringent environmental protection standards; and (ii) physical damages, being the damages arising from acute weather-related events and longer-term chronic shifts in climate patterns.

Our production facilities in China are required to comply with the environmental protection and safety laws and regulations promulgated by the relevant PRC government. See the section headed "Regulatory Overview — Regulations Relating to Environmental Protection" in this prospectus for further information. If we fail to comply with any of the applicable environmental protection laws and regulations and standards, we may be subject to fine or penalty. The laws and regulations on environmental protection may be subject to updates and any update may increase our cost of compliance and place burden on our operations. See the section headed "Risk Factors — Risks Relating to Our Business and Industry — If we fail to comply with various environmental and fire safety related laws and regulations, we may be subject to fines and penalties." in this prospectus for further information. Such regulatory developments, together with the existing laws, regulations and expectations, may have significant impacts on the production activities of us and thus present transitional risks to us, which may adversely affect our production. Furthermore, if our Group is in breach of any environmental law and regulations, or faces any accusation of negligence in environmental protection, it will adversely affect our reputation and our creditability. It may also affect our business performances and reduce our competitiveness to new investors. Our business opportunities may also be negatively impacted as we may be disadvantaged by the reputational damage and loss of creditability, as our customers may be less willing to source from an unsustainable supplier.

On the other hand, we acknowledge the potential impact of the climate change may have on our business operations, such as global warming, high sea level and chaotic weather pattern, our business operations could be susceptible to the "physical damages" as a result of droughts, floods, inclement weather and El Nino phenomenon. These physical damages could affect our business, financial conditions, results of operation and prospects. We have backed up our information and data by storing them in a server-based storage system, which in turn minimizes the potential impact of disruptive climate events and their potential impact on our business. We also conduct emergency drills and training sessions to enhance our employees' awareness and abilities to mitigate risks. Additionally, to mitigate the impact of extreme weather on the supply chain, we have strengthened our research efforts in the raw materials market, assessed market trends, established appropriate and scientific safety stock levels, and ensured the smooth operation of our production and operations.

Our Directors confirm that each of our subsidiaries in China has not been alleged to have materially violated any environmental or safety laws, nor was any material penalty imposed on our Group for material violation of the PRC environmental or safety laws during the Track Record Period and up to the Latest Practicable Date, which would have a material adverse impact on our business operations and financial performance. Our Directors further confirm that no major accident resulting in deaths or serious injuries of our employees occurred during the Track Record Period and up to the Latest Practicable Date.

Environmental Protection and Monitoring

With a focus on environmental consciousness, we strive to conserve our environment by using resources responsibly, reducing waste, and maintaining a neutral carbon footprint.

Our production process mainly involves the discharge of wastewater, waste gas, solid waste and noise, as well as the use of different types of chemical materials. As of the Latest Practicable Date, we have completed requisite registration in respect of the environmental protection.

Our Environmental Protection Measure

We regard environmental protection as an essential corporate responsibility and therefore place great emphasis on environmental protection measures and promulgate various internal policies on environmental compliance matters and are committed to integrating environmental protection technologies into product design and manufacture to ensure that we operate in compliance with relevant environmental laws and regulations. The following table sets out our major pollutants, environmental protection measures adopted and the relevant discharge standard:

Major Pollutants	Major Environmental Protection Measures Adopted	Discharge Standards
Wastewater	We may produce domestic wastewater. Our wastewater primarily consists of sanitary water from restrooms at our production base. Pursuant to the discharge standard, such wastewater does not require special treatment, and the Company manages its wastewater in compliance with applicable laws and regulations.	Integrated Wastewater Discharge Standard (GB 8978–1996)《(污水綜合排放標準》GB8978–1996)

Major Pollutants	Major Environmental Protection Measures Adopted	Discharge Standards
Air pollutants	We may produce air particles and other air pollutants during our operation. We collect, filter and process air pollutants produced and discharge the processed air through a chimney in accordance with the local emission control regulations. We have also installed a monitoring device at our emission chimney which is connected with the local environmental monitoring center and real time emission data can be uploaded and monitored by the provincial environmental authority.	Integrated Emission Standard for Air Pollutants (GB 16297–1996) (《大氣污染物綜合排放標準》 GB 16297–1996)
Solid waste	We may produce certain types solid waste during our operation, primarily including, metal scrap and domestic waste. We collect metal scrap produced during our operation and send them to local recycling center. For hazardous waste, we engage qualified third-party waste treatment agents to properly process and treat such waste in accordance with applicable laws and regulations. As for domestic waste, we dispose such waste to local waste treatment center.	Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB18599–2020)（《一般工業固體廢物貯存及掩埋污染控制標準》 GB18599–2020） Standard for Pollution Control on Hazardous Waste Landfill (GB18598–2019) (《危險廢物填埋污染控制標準》GB18598–2019) Standard for Pollution Control on Hazardous Waste Storage (GB18597–2023) (《危險廢物貯存污染控制標準》 GB 18597–2023)

We are committed to enhancing and improving technology and services to fulfil our social responsibilities to both the community and environment. In delivering our products, we strive to ensure that all products and services are delivered with high quality and in an environmentally responsible manner.

We believe that our businesses are in compliance with the applicable national, local and foreign environmental laws and regulations in all material aspects. As of the Latest Practicable Date, we are not aware of any material penalties associated with the breach of any existing environmental law or regulation.

Our Environmental Protection Performance

To actively respond to the goals of "Carbon Peaking and Carbon Neutrality", we continue to pay attention to environmental protection and the development of ecological culture. We have set environmental protection targets to quantify our efforts to protect the environment and actively monitor our impact on the environment. The table below sets forth an analysis of the environmental protection performance of our Company in each year/period of the Track Record Period:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Total greenhouse gas (GHG) emissions and intensity				
— Scope 1: Direct emission (*ton*)	1.4	1.4	4.5	1.9
— Scope 2: Indirect energy emission (*ton*)	316.2	325.1	714.8	403.0
— Scope 3: Other indirect emission (*ton*)	—	20.1	27.3	5.7
Total GHG emissions	317.6	346.5	746.7	410.6
Intensity of total GHG emissions (ton/total revenue in RMB million)	1.2	0.8	1.2	1.0
Electricity consumption				
— Electricity consumption (*MWh*)	589.4	605.8	1,333.3	752.1
— Electricity Consumption Intensity (*MWh/Revenue RMB' million*)	2.1	1.8	2.6	2.6
Water consumption				
— Water consumption (m^3)	5,054.0	5,025.0	9,176.0	4,961.8
— Water consumption Intensity (m^3*/Revenue RMB' million*)	18.4	11.0	15.0	12.5

Our Emissions Targets

We plan to set an emission reduction target using the emissions of greenhouse gases in 2024 in terms of emissions-to-revenue ratios. We plan to reduce our (i) emission intensity of greenhouse gases by 5% (with 2024 as the base year and 2029 as the target year) through initiatives such as adopting paperless office practices, encouraging public transportation for commuting, and transitioning to renewable energy sources; (ii) electricity consumption intensity by 4% through implementing timely power shutoff for electrical devices and upgrading to energy-efficient alternatives (with 2024 as the base year and 2029 as the target year); and (iii) water consumption intensity by 6% through displaying water conservation signage, facilitating water recycling, and upgrading to water-efficient appliances (with 2024 as the base year and 2029 as the target year).

Supply Chain Management

We adopted strict supplier management policies and procedures. With respect to supplier management, we have introduced a series of policies and rules. In the process of selecting our suppliers, the performance and qualifications of suppliers in terms of health, safety, and environmental protection are also taken into our consideration. If our suppliers encounter special circumstances related to health, safety, and environmental protection, such as any incidents or penalties, we will conduct investigations, and take appropriate management measures based on the investigation results, including but not limited to providing training and education to our suppliers, rectification within a time limit, suspension or termination of cooperation. During the Track Record Period and up to the Latest Practicable Date, we had not identified any occurrences where our suppliers encountered special circumstances related to health, safety, or environmental protection.

Anti-bribery and Anti-corruption

We have zero tolerance for unethical business practices such as bribery, fraud, and corruption. We conduct regular training and onboarding training for employees, keeping them updated and informed about anti-corruption laws and regulations and our corresponding policies. We also have developed whistleblowing channels, including via phone and email, encouraging employees to report any violations of discipline and regulations in relation to corruption actions and protect the whistle-blower in accordance with related internal rules.

During the Track Record Period and up to the Latest Practicable Date, We had not experienced any material breach of relevant anti-corruption laws and regulations that had a significant impact on our business operations and financial position. As advised by our PRC Legal Adviser, we were not involved in any litigation or criminal offences arising from corruption or bribery issues during the Track Record Period and up to the Latest Practicable Date.

Occupational Health and Work Safety

In China, we are subject to the PRC laws and regulations on labor, safety and work-related incidents. In order to minimize the risk of accidents and enhance our employees' awareness of health and safety issues, we have (i) assigned responsible specialists for handling production safety accidents and record keeping; (ii) established guidelines and manuals relating to operational safety and handling of accidents; (iii) conducted training, including onboarding and on-the-job training and encouraged our employees to be vigilant and responsible for their safety and health whilst performing their work obligations; (iv) installed fire safety equipment; and (v) require each department of our manufacture facilities to keep records of regular safety inspection, safety protection equipment spot check, safety knowledge training sign-in, hydrogen piping point inspection and equipment maintenance records.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we did not encounter any material incidents, accidents or complaints that would materially and adversely affect our business operations. During the Track Record Period and up to the Latest Practicable Date, our Group did not incur any material administrative penalties for violations of occupational health and work safety.

Corporate Social Responsibility

We are committed to leveraging our business and technology to create value for society. We highly value our corporate role in building social value and in leading public awareness of civic responsibility. Set out below are some of the key actions we have undertaken to promote positive social impact through our business:

- ***Empowering vulnerable groups through product innovation:*** We endeavor to enhance accessibility and independence for individuals with reduced mobility, including the elderly and persons with disabilities. Our execution-enhanced robots, such as our SwitchBot Curtain, SwitchBot Lock, and SwitchBot Bot, are designed with intuitive interfaces and simple installation processes, enabling users to automate everyday household tasks with ease. By empowering vulnerable groups to manage their living environments more effectively, we also aim to alleviate the burden on caregivers and contribute to a more inclusive society.

- ***Supporting carbon neutrality through smart energy products:*** Our ecosystem and products and designed to optimize energy efficiency within the household. For example, our smart hubs, when integrated with our smart sensors and execution-enhanced robot products, allows users to optimize and tailor their home energy usage based on real-time environmental data and user habits. These capabilities not only improve efficiency and convenience but also help reduce overall carbon emissions, supporting global climate goals and the transition to carbon neutrality.

- ***Fostering talent through industry-academia collaboration:*** We actively collaborate with academic institutions to nurture the next generation of technology professionals. We serve as an internship base for Shenzhen University, providing students with practical training opportunities in AI and robotics. Through this partnership, we contribute to the cultivation of industry-ready talent and the promotion of cutting-edge technological innovation among young professionals.

Employee Care

We adhere to the principles of diversity and inclusion, and we are committed to the development of an equal and diverse employment environment while continuously optimizing our staffing structure to maintain our internal and external competitiveness. The table below sets forth the composition of our total workforce in terms of gender, age and expertise as of the Latest Practicable Date.

Gender	Male	264
	Female	376
Age	>45	5
	$30 \leq 45$	280
	≤ 30	355
Expertise	Senior management	7
	Mid-level management	43
	Staff	590

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

We have engaged an internal control consultant (the "Internal Control Consultant"), to perform an internal control assessment of our internal control system within the agreed scope and to report factual findings on our Group's entity-level controls and internal controls of various processes, which covers areas such as environment of control, risk assessment, information and communication, internal control, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, inventory, logistics and cost management, management of fixed assets and intangible assets, human resources and payroll management, cash and treasury management, taxation management, project management, general controls of IT system (including protection of data and privacy), R&D management, insurance management, production management, health, safety and environment protection and contract management. The Internal Control Consultant performed procedures in March 2025 and a follow-up review in May 2025 on the enhancement measures taken by us in response to the findings and enhancement recommendations from the Internal Control Consultant. After considering the implementation of the enhancement measures and the result of such follow-up review, our Directors are satisfied that our internal control system is adequate and effective for our current operational environment.

We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel for each stage of the production process. Our Directors (who are responsible for overseeing our corporate governance) with assistance from our legal advisers, will periodically review our compliance status with all relevant laws and regulations after the Listing.

Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have established the Audit Committee, which shall be responsible to review and supervise our financial reporting process and internal control system of our Group, oversee the audit process, risk management process and external audit functions. For more details, see the section headed "Directors and Senior Management — Board Committees — Audit Committee" in this prospectus.

- We have engaged Quam Capital Limited as our compliance adviser to provide advice to our Directors and management team until the end of the first fiscal year after the Listing regarding matters relating to the Listing Rules. Our compliance adviser is expected to ensure our use of funding complies with the section headed "Future Plans and Use of Proceeds" in this prospectus after the Listing, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

- We plan to engage law firms to advise us on and keep us abreast with the laws and regulations in jurisdictions where we have material operation after the Listing. We will continue to arrange various trainings to be provided by external legal advisers from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest PRC laws and regulations.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the applicable regulatory environment, our ability to offer quality services, our ability to manage our anticipated growth and to execute on our growth strategies, and our ability to compete with our competitors. See the section headed "Risk Factors" in this prospectus for a discussion of various risks and uncertainties we face.

We have established a risk management system consisting of the relevant policies and procedures that we believe are appropriate for our business operations. Pursuant to our risk management policy, our key risk management objectives include: (i) identifying different types of risks; (ii) assessing and prioritizing the identified risks; (iii) developing appropriate risk management strategies for different types of risks; (iv) identifying, monitoring and managing risks and our risk tolerance level; and (v) execution of risk response measures.

Our Board oversees and manages the overall risks associated with our business operations. Moreover, our audit committee will review and supervise our financial reporting process and internal controls system. The audit committee consists of three members, namely, Ms. LI Hui (李輝), Professor KO Ping Keung (高秉強), and Professor WANG Yong (王勇). For qualifications and experience of the members of the Audit Committee, please refer to the section headed "Directors and Senior Management" in this prospectus.

IMPACT OF THE COVID-19 PANDEMIC

Since early 2020, the outbreak of the COVID-19 pandemic has brought about uncertainties and challenges to the global economy. The Directors confirm that the COVID-19 pandemic did not have a material adverse impact on our business operations and financial performance during the Track Record Period.

We experienced a temporary increase in logistics costs in 2022 due to pandemic-related disruptions in global transportation and supply chains. However, the overall impact of these costs on our financial performance was limited. Our transportation and storage costs as a percentage of our total revenue were 12.2%, 8.1%, 9.1%, 7.2% and 7.0% for the years ended December 31, 2022, 2023 and 2024, and the six months ended June 30, 2024 and 2025, respectively.

Notwithstanding the challenges posed by the pandemic, particularly during the period when restrictions were in effect in 2022, our business operations and production remained largely uninterrupted. During this period, we continued to record strong growth in key business metrics. In particular, the number of SwitchBot App users increased from 619,315 as of December 31, 2021 to 1,252,138 as of December 31, 2022, representing an increase of approximately 102.3%. Over the same period, our sales volume increased from 1,381,412 units in 2021 to 2,423,758 units in 2022, representing an increase of approximately 75.5%. Such strong growth demonstrated the resilience of our business model and the sustained demand for our products.

Following the lifting of major COVID-19 related restrictions in China and our overseas markets towards the end of 2022, our business has continued its strong growth trajectory. Our revenue increased from RMB274.6 million in 2022 to RMB457.3 million in 2023 and further to RMB609.9 million in 2024. This growth trend is also reflected in our interim results, with revenue increasing from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025.

OVERVIEW

As of the Latest Practicable Date, Mr. Li controlled approximately 44.53% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (1) 21.82% beneficially owned by him directly; (2) 8.24% beneficially owned by Wonder Innovation ESOP, an employee share ownership platform controlled by Mr. Li as the general partner; and (3) 14.47% beneficially owned by Mr. Pan, in respect of which Mr. Li has the right to direct voting and other shareholder actions of Mr. Pan pursuant to the terms of the Acting-in-concert Agreement, whereby Mr. Pan agreed to act in concert with Mr. Li in relation to all matters requiring the exercise of shareholder rights and director rights in our Company (where applicable). Upon the Listing and pursuant to the issuance of new Shares under the Global Offering, Mr. Li will control approximately 40.07% of the shareholding interests and voting power at the shareholders' meetings of our Company, comprising (i) 19.64% beneficially owned by Mr. Li directly; (ii) 7.41% beneficially owned by Wonder Innovation ESOP; and (iii) 13.02% beneficially owned by Mr. Pan, assuming the Over-allotment Option is not exercised. Therefore, Mr. Li, Mr. Pan and Wonder Innovation ESOP are the Controlling Shareholder Group as of the Latest Practicable Date and upon the Listing.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the Listing, our Board will comprise four executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for more information.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies;

(4) our daily management and operations are carried out by our senior management team. Except Mr. Li and Mr. Pan themselves, our senior management team members are independent from our Controlling Shareholders, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group; and

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance."

Operation Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on our Controlling Shareholders. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and R&D facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of our Controlling Shareholders and their respective close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from our Controlling Shareholders and their close associates. We do not share any other functions or resources with any of our Controlling Shareholders or their respective close associates.

During the Track Record Period, we primarily financed our business operations through either cash generated from our business activities and/or equity financing activities. As at June 30, 2025, the Group's borrowings of approximately RMB98.7 million were guaranteed by Mr. Li together with the Company. Please see "Financial Information — Indebtedness" and Note 24 of the Accountant's Report as set out in Appendix I to this prospectus. Our Company is in the process of negotiating with the relevant banks and such guarantees or security provided by Mr. Li are expected to be released in full upon the Listing. As such, our Directors are of the view that the guarantee does not affect our financial independence.

Based on the above, our Directors believe that our Group is able to operate with financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(2) our Company has established internal control mechanism to identify connected transactions. After the Listing, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Quam Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) our Controlling Shareholders will confirm the status of their non-competing interest (if any) on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

BOARD OF DIRECTORS

Our Board comprises nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. Our Board is responsible and has general power for the management and conduct of our business. We have entered into service contracts and/or letters of appointment with each of our Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by our Shareholders at a Shareholders' meeting for a term of three years, which is renewable upon re-election and re-appointment.

Members of Our Board

The table below shows certain information in respect of the members of our Board:

Name	Age	Position/Title	Date of Joining Our Group	Date of Appointment as Director	Key Role and Responsibility	Relationship with other Directors and Senior Management
Executive Directors						
Mr. LI Zhichen (李志晨)	34	Chairman of the Board, executive Director and chief executive officer	January 22, 2015	October 18, 2018	Responsible for the overall business development, management and strategic planning of our Group	N/A
Mr. PAN Yang (潘陽)	37	Executive Director and chief technology officer	January 22, 2015	October 18, 2018	Responsible for overseeing R&D and operation of our Group	N/A
Mr. HU Zhidong (胡治東)	33	Executive Director and chief financial officer	March 18, 2025	April 8, 2025	Responsible for overseeing the financial and investor relationship management of our Group	N/A
Ms. YANG Minghui (楊明輝)	45	Executive Director and general counsel	June 11, 2021	April 8, 2025	Responsible for managing the legal and intellectual property affairs of our Group	N/A

Name	Age	Position/Title	Date of Joining Our Group	Date of Appointment as Director	Key Role and Responsibility	Relationship with other Directors and Senior Management
Non-executive Directors						
Professor LI Zexiang (李澤湘)	64	Non-executive Director	April 8, 2025	April 8, 2025	Responsible for providing professional and strategic advice to our Group	N/A
Professor KO Ping Keung (高秉強)	73	Non-executive Director	October 18, 2018	October 18, 2018	Responsible for providing professional and strategic advice to our Group	N/A
Independent non-executive Directors						
Ms. LI Hui (李輝)	47	Independent non-executive Director	December 30, 2025	December 30, 2025	Responsible for supervising and providing independent opinion to our Board	N/A
Dr. LEUNG Suk Wai Winnie (梁淑慧)	46	Independent non-executive Director	December 30, 2025	December 30, 2025	Responsible for supervising and providing independent opinion to our Board	N/A
Professor WANG Yong (王勇)	37	Independent non-executive Director	December 30, 2025	December 30, 2025	Responsible for supervising and providing independent opinion to our Board	N/A

Executive Directors

Mr. LI Zhichen (李志晨), aged 34, is our co-founder, the chairman of the Board, the chief executive officer of our Company and an executive Director. He served as our Director and the chairman of the Board since October 18, 2018, and will be re-designated as an executive Director since December 30, 2025. Mr. Li is primarily responsible for the overall business development, management and strategic planning of our Group. He holds various positions in subsidiaries of our Group, including as an executive director and general manager of Woan Technology since January 2015, a representative director of SwitchBot JP since September 2020, the sole director of Woan HK since May 2020, a director of Wonderlabs HK since July 2020 and a director of SwitchBot US since November 2020.

Mr. Li has over 12 years of experience in the robotics and electrical engineering technology industry. In August 2012, he worked as an electrical and electronic engineer at Astralink Technology Pte Ltd, a Singapore-based embedded product and cloud IT application solution provider. In January 2015, Mr. Li co-founded Woan Technology and served as its executive director. Please see "History and Corporate Structure — Overview" for the history of our Group.

Mr. Li graduated at the age of 20 from Harbin Institute of Technology (哈爾濱工業大學) in July 2011 with a bachelor's degree in electronic information engineering. At the age of 21, he further obtained a master's degree of science in electronics from Nanyang Technological University (南洋理工大學) in July 2012.

Mr. Li was certified as an overseas high-caliber personnel by the Human Resources and Social Security Administration of Shenzhen Municipality (深圳市人力資源和社會保障局) in April 2021.

Mr. PAN Yang (潘陽), aged 37, is our co-founder, our executive Director and the chief technology officer of our Group. He served as our Director since October 18, 2018, and will be re-designated as an executive Director since December 30, 2025. He is primarily responsible for overseeing R&D and operation of our Group.

Mr. Pan has over 13 years of experience in the robotics and information technology. He commenced his career in the PRC as a field programmable gate arrays (FPGA) engineer from July 2011 to May 2014 in Sumavision Technologies Co., Ltd. (北京數碼視訊科技股份有限公司) (300079.SZ) and was primarily responsible for FPGA development. During the period from June 2014 to June 2015, he worked as a FPGA engineer at Shenzhen Intelliwork Technologies Co. Ltd. (深圳市卓訊達科技發展有限公司), a company principally engaged in the business of R&D and sales of automated production and testing equipment, where he was primarily responsible for product development.

Mr. Pan graduated from Harbin Institute of Technology (哈爾濱工業大學) in July 2011 with a bachelor's degree in electronic science and technology.

Mr. HU Zhidong (胡治東), aged 33, is our executive Director, the chief financial officer and the joint company secretary of our Company. He joined our Group in March 2025 and is primarily responsible for overseeing the financial and investor relationship management of our Group. He was appointed as a Director on April 8, 2025 and will be re-designated as an executive Director since December 30, 2025.

Mr. Hu has over 13 years of experience in the finance and capital market. During the period from October 2011 to June 2014, he worked at PricewaterhouseCoopers Zhong Tian CPA Shenzhen Branch. During the period from June 2014 to June 2016, he worked in the investment banking department of China Investment Securities Co., Ltd. During the period from June 2016 to March 2025, he worked in the investment banking department of China International Capital Corporation, with the last position being vice president.

Mr. Hu obtained a bachelor's degree of business management with major in accounting from Zhongnan University of Economics and Law (中南財經政法大學) in June 2011, and a bachelor's degree of commerce in accounting and accounting technologies from Curtin University of Technology (now known as Curtin University) in August 2011. He further obtained a master's degree of business administration from Cornell University in December 2023, and a master's degree of business administration from Tsinghua University PBC School of Finance (清華大學五道口金融學院) in January 2024. Mr. Hu obtained a PRC certified public accountant certificate from the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 2015.

Ms. YANG Minghui (楊明輝), aged 45, is our executive Director and the general counsel of our Company. She joined our Group in June 2021 and is primarily responsible for legal and intellectual property affairs of our Group. She was a Director on April 8, 2025 and will be re-designated as an executive Director since December 30, 2025.

Ms. Yang has over 11 years of experience in the field of intellectual property industry. During the period from October 2013 to June 2021, she worked at various positions, including the manager of the intellectual property department and assistant to general manager of product R&D department of Shenzhen Genvict Technologies Co., Ltd. (深圳市金溢科技股份有限公司) (002869.SZ) and was primarily responsible for intellectual property protection work.

Ms. Yang obtained a bachelor's degree and a master's degree in mechanical engineering and automation from South China University of Technology (華南理工大學) in July 2003 and June 2006, respectively. She further obtained a master's degree in intellectual property legal studies from China University of Political Science and Law (中國政法大學) in January 2023. Ms. Yang obtained a PRC certified engineer certificate from Shenzhen Municipal Personnel Bureau (深圳市人事局) in October 2008, and a legal professional qualification certificate issued by the Ministry of Justice of the PRC in March 2011.

Non-executive Directors

Professor LI Zexiang (李澤湘), PhD, aged 64, is our non-executive Director. He joined our Group as our Director since April 8, 2025 and will be re-designated as our non-executive Director since December 30, 2025.

Professor Li is a renowned scholar in robotics and automation with over 36 years of experience in academia and research. Professor Li has served as a professor at the department of electronic and computer engineering of The Hong Kong University of Science and Technology (香港科技大學) since 1992. He established the center for automation technology at The Hong Kong University of Science and Technology (香港科技大學) in 1998 and has been the key member of the Robotics Institute of the Hong Kong University of Science and Technology since 2015.

Professor Li is also an entrepreneur and a venture capitalist in the fields of innovative technology. In October 1999, he co-founded Googol Technology Co., Ltd. (固高科技股份有限公司) (301510.SZ) ("Googol Technology") with, among others, Professor Ko, also our non-executive Director, and has served as the chairman of the board of directors of Googol Technology since its establishment. Professor Li is the ultimate controller of Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe, our Pre-IPO Investors in Series Pre-A Financing, Series A Financing and Series B Financing. Please see "History and Corporate Structure — Pre-IPO Investments" for details.

Professor Li has served in various consultative bodies of the Hong Kong government. He served as a non-official member of the HKSAR Commission on Strategic Development (香港特別行政區策略發展委員會) during the period from 2008 to 2017. He also served as a member of the HKSAR Committee on Innovation, Technology and Re-industrialisation (香港特別行政區創新、科技及再工業化委員會) during the period from April 2017 to April 2021. Professor Li is also serving as a member of the HKSAR Steering Committee of the Research, Academic and Industry Sectors One-plus Scheme (香港特別行政區「產學研1+計劃」督導委員會) for the term commencing from January 1, 2024 to January 1, 2026.

Professor Li obtained a bachelor's degree of science in electrical engineering and economics (with honours) from Carnegie Mellon University in August 1983. He further obtained a master's degree in mathematics in May 1985 and received a doctorate in electrical engineering and computer science from the University of California, Berkeley in December 1989. He was awarded as a fellow of the Institute of Electrical and Electronics Engineers in 2008.

Professor KO Ping Keung (高秉強), PhD, JP, aged 73, is our non-executive Director. He was appointed as our Director since October 2018 and will be re-designated as our non-executive Director since December 30, 2025.

Professor Ko is a renowned scholar in electrical engineering with over 40 years of experience in academia. During the period from 1995 to 2005, he served as the Dean of the school of engineering of The Hong Kong University of Science and Technology (香港科技大學), until his retirement in 2005, after which he was granted and awarded with the honorary title of Emeritus Professor of Electronic and Computer Engineering of The Hong Kong University of Science and Technology.

Professor Ko is also an entrepreneur and a venture capitalist. In October 1999, he co-founded Googol Technology with Professor Li, our non-executive Director. He is the co-founder and general partner of Brizan Ventures LP, a venture capital fund which invested in China-based start ups and emerging enterprises. He is also an investor for various multinational tech enterprises such as SZ DJI Technology Co., Ltd. (深圳市大疆創新科技有限公司), Smartsens Technology (Shanghai) Co., Ltd. (思特威(上海)電子科技股份有限公司) (688213.SH) and Beken Corporation (博通集成電路(上海)股份有限公司) (603068.SH). Professor Ko is one of the ultimate controller of Brizan Ventures V, our Pre-IPO Investor in Series C Financing. He had also participated in Series Pre-A Financing, Series A Financing and Series B Financing through Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe. Please see "History and Corporate Structure — Pre-IPO Investment" for details.

Professor Ko has served as an independent non-executive director of Henderson Investment Limited (HKEX: 0097) and Henderson Land Development Company Limited (HKEX: 0012) since September 2004, Q Technology (Group) Company Limited (HKEX: 1478) from May 2017 to September 2025 and VTech Holdings Limited (HKEX: 0303) since January 2018, all of which are Hong Kong listed companies. Professor Ko has also served as an independent director of Primarius Technologies Co., Ltd. (上海概倫電子股份有限公司) (688206.SH) during the period from October 2023 to February 2025, a director of Beken Corporation (博通集成電路(上海)股份有限公司) (603068.SH) from February 2017 to August 2025, Smartsens Technology (Shanghai) Co., Ltd. (思特威(上海)電子科技股份有限公司) (688213.SH) since December 2020 and Googol Technology (301510.SZ) since June 2021, all of which are PRC listed companies.

Professor Ko has been appointed as a HKSAR justice of peace since June 1997. He also served in various consultative bodies of the Hong Kong government, including as a member of the HKSAR University Grants Committee (香港特別行政區大學教育資助委員會) during the period from April 1993 to March 1998, the chairman of HKSAR Research Grants Council (香港特別行政區研究資助局) from January 1994 to July 1999, and a member of HKSAR Advisory Committee on the Northern Metropolis (香港特別行政區北部都會區諮詢委員會) during the period from February 2023 to February 2025.

Professor Ko obtained a bachelor's degree of science (Honours) from The University of Hong Kong (香港大學) in 1974, and obtained a master's degree of science degree in electrical engineering and received a doctorate in electrical engineering from the University of California, Berkeley in 1978 and 1982 respectively. He was awarded as a fellow of the Institute of Electrical and Electronics Engineers.

Independent non-executive Directors

Ms. LI Hui (李輝), aged 47, is our independent non-executive Director. She joined our Company as an independent non-executive Director on December 30, 2025.

Ms. Li has over 21 years of experience in the field of auditing, risk management and internal control. During the period from March 2004 to February 2012, she worked as the deputy director in the enterprise risk management and service department of Deloitte Touche Tohmatsu Certified Public Accountants LLP in Shanghai, PRC, and was primarily responsible for risk advisory. During the period from February 2012 to April 2016, she worked as a partner of Grant Thornton Certified Public Accountants LLP in Shanghai and worked in the enterprise risk management advisory department. During the period from April 2016 to November 2020, she worked as a partner of the Risk Management Consultancy department of Deloitte China. During the period from December 2020 to April 2023, she worked as a researcher of the CFO line Ant Group (螞蟻集團). Since July 2023, she served as the vice president of Shanghai Niantong Enterprise Consulting Co., Ltd. (上海念桐企業諮詢有限公司).

Ms. Li obtained a bachelor's degree of economics with major in accounting from China Textile University (中國紡織大學)(now known as Donghua University (東華大學)) in July 1999. She further obtained a master's degree in management with a major in enterprise management from Donghua University (東華大學) in March 2004. She was admitted as a member of The Association of Chartered Certified Accountants in July 2005 and as a fellow in September 2010. She was awarded the professional designation of certified internal auditor by The Institute of Internal Auditors in November 2004. She also obtained the qualification of senior economist from Shanghai Professional and Technical Personnel Title Assessment and Certification Committee (上海市專業技術人才職稱考核認定委員會) in November 2024.

Dr. LEUNG Suk Wai Winnie (梁淑慧), aged 46, is our independent non-executive Director. She joined our Company as an independent non-executive Director on December 30, 2025.

Dr. Leung has over 16 years of experience in aerospace engineering, academia and research. In February 2004, she worked at MDA Space Missions, a Canadian aerospace technology company, where she was primarily responsible for research and development in the field of locomotion and navigation for planetary rovers. During the period from September 2011 to December 2015, she worked as a lecturer of the Department of Mechanical and Automation Engineering of The Chinese University of Hong Kong (香港中文大學). Since September 2016, she joined The Hong Kong University of Science and Technology (香港科技大學) with her latest position being an associate professor of engineering education and a senior lecturer in the Faculty of the Division of Integrative Systems and Design of The Hong Kong University of Science and Technology (香港科技大學).

Dr. Leung is also an entrepreneur. She co-founded miniDSP Limited (米納揚聲有限公司), a Hong Kong-based pro-audio company which delivers digital audio solutions in application areas spanning conferencing to augmented reality, in April 2011 and serves as a director since April 2011.

Dr. Leung obtained a bachelor's degree of applied science in systems design engineering from University of Waterloo in June 2002. She further obtained a master's degree of science in aerospace engineering from the Institute for Aerospace of the University of Toronto in November 2004, and received a doctorate in electronic and computer engineering from The Hong Kong University of Science and Technology (香港科技大學) in November 2010.

Professor WANG Yong (王勇), aged 37, is our independent non-executive Director. He joined our Company as an independent non-executive Director on December 30, 2025.

Professor Wang has over 12 years of experience in academia and research, specialising in the field of microelectronics and semiconductor technologies. From August 2012 to June 2016, he served as a research engineer and later a research fellow at Nanyang Technological University (南洋理工大學), his alma mater, in Singapore. From July 2017 to August 2018, he served as a researcher and project leader at the IHP — Leibniz Institute for High Performance Microelectronics in Germany. Since August 2018, he has been serving as a professor and doctoral supervisor at the School of Information and Communication Engineering of the University of Electronic Science and Technology of China (電子科技大學).

Professor Wang obtained a bachelor's degree in electronic information engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2010. He further obtained a master's degree of engineering in circuits and systems, and received a doctorate of philosophy in circuits and systems from Nanyang Technological University (南洋理工大學) in April 2013 and May 2016, respectively.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, Professor Li, our non-executive Director, is (1) a director, an investor and a substantial shareholder of Narwal Intelligent Innovation (Shenzhen) Co., Ltd (雲鯨智能創新(深圳)有限公司) ("**Narwal**"), which according to publicly available information, is principally engaged in research, development, production and sales of robot vacuum cleaner and vacuum mop; and (2) a shareholder controlling more than 10% of shareholding interests of SZ DJI Technology Co., Ltd. (深圳市大疆創新科技有限公司) ("**DJI**"), which according to publicly available information has launched robot vacuum cleaner as a new product in August 2025.

Our Directors are of the view that the directorship held by Professor Li in Narwal and DJI would not give rise to material competition issue under Rule 8.10 of the Listing Rules due to the reasons below:

(a) Based on information available to the Company, the business focus of Narwal, DJI, and that of our Group are distinguishable. Narwal primarily engages in the robot vacuum cleaner segment and DJI primarily engages in sales and manufacture of commercial unmanned aerial vehicles (drones) for aerial photography and videography, whereas our Group offers a broad range of home robotic system products, including, among others, finger robots, curtain robots, lock robots and multitasking household robots, which is distinguishable from Narwal's. Accordingly, the Directors consider that as of the Latest Practicable Date, the product offerings of Narwal, DJI and our Group are distinct and are not substantially overlapping;

(b) Professor Li is a non-executive Director and does not engage in the day-to-day business operation or management of our Company. He is a venture capitalist who had invested in a wide range of innovative technology enterprises across different sectors, including our Company, Narwal and DJI. Professor Li's role is primarily that of a strategic investor and his involvement at our Board is limited to high-level oversight. As confirmed by Professor Li, he also does not hold any executive or operational position in Narwal and he had ceased to be a director of DJI since February 2023;

(c) Professor Li has confirmed that (1): to the extent he holds directorship position in or is a substantial shareholder of Narwal, he will abstain from voting on any resolution as a Director of our Company in respect of matters where a conflict of interest or duty to prevent so may arise; (2) he would similarly abstain from voting on any resolution as a director of Narwal in relation to matters which may give rise to a conflict of interest with our Company. Professor Li is fully aware of his fiduciary duties as a Director, which include, among other obligations, acting in good faith in the interests of our Company and avoiding actual or potential conflicts between his personal interests (including his role with Narwal) and those of our Company. Where a material interest exists, Professor Li will make full disclosure and abstain from attending or voting at the relevant Board meetings in accordance with the requirements under the Listing Rules; and

(d) Professor Li has entered into a letter of appointment with our Company, pursuant to the terms of which, he has undertaken to observe strict confidentiality in respect of any confidential or price-sensitive information of the Group that he may obtain during his tenure as our non-executive Director. In particular, Professor Li is required to keep such information confidential and not to disclose or use it for any purpose other than in the proper discharge of his duties as our non-executive Director. These confidentiality obligations continue to apply after the termination of his appointment to the extent such information remains non-public and confidential.

We have appointed three independent non-executive Directors, comprising one third of our Board in order to promote the interests of our Company and our Shareholders as a whole. We have also established relevant corporate governance measures to manage potential conflicts of interest, including those arising from situations similar to that of Professor Li, where a Director may concurrently hold investments or non-executive roles in other companies operating in related industries. These measures include board-level protocols, conflict-of-interest declarations, abstention arrangements, and continuous monitoring to ensure that the interests of our Company and Shareholders are duly safeguarded.

Based on the information and representation given to the Joint Sponsors, the work done by the Company and the independent due diligence work performed by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that could cast doubts on the Directors' views set out above.

Saved as disclosed herein, none of our Directors or any of their respective associates had interests in any other companies as of the Latest Practicable Date that may, directly or indirectly, compete with our business and would require disclosure under Rule 8.10 of the Listing Rules.

DISCLOSURE REQUIRED UNDER RULE 13.51(2) OF THE LISTING RULES AND CONFIRMATION FROM OUR DIRECTORS

Professor Li and Professor Ko were directors of the companies which were incorporated in Hong Kong or the PRC prior to their respective dissolution or deregistration. Each of Professor Li and Professor Ko confirmed that (1) the companies were solvent and inactive at the time of their dissolution; (2) none of the dissolved or deregistered companies were subject to any material investigations, non-compliance, penalty or other administrative or regulatory proceedings at the time of their respective dissolution or deregistration; and that (3) their dissolution had not resulted in any liability or obligation against them.

Professor Ko were directors of the following companies which were established in the PRC prior to their respective deregistration due to revocation of business licence:

Name of the deregistered entities	Place of incorporation/ establishment	Date of deregistration (by chronological order)	Position held at the deregistered entities	Status and reasons
Shanghai Bingshilong Catering Management Co. Ltd. (上海冰室龍餐飲管理有限公司)	PRC	May 21, 2013	Director	Revocation of business licence *(Note 1)*
Beijing Fangyi Integrated Circuit Design Co. Ltd. (北京方益積成電路設計有限公司)	PRC	December 17, 2018	Director	Revocation of business licence *(Note 2)*

Notes:

1. Professor Ko confirmed that Shanghai Bingshilong Catering Management Co. Ltd. (上海冰室龍餐飲管理有限公司) was solvent when its business licence was revoked and there was no wrongful act on his part that led to the revocation of its business licence.

2. Professor Ko confirmed that Beijing Fangyi Integrated Circuit Design Co. Ltd. (北京方益積成電路設計有限公司) was solvent when its business licence was revoked and there was no wrongful act on his part that led to the revocation of its business licence.

As further confirmed by Professor Ko, the aforesaid companies were revoked because of inactive business operation and there was no wrongful act on his part leading to the revocation of business license. None of the aforesaid revoked companies were subject to any material investigations, non-compliance, penalty or other administrative or regulatory proceedings at the time of their respective deregistration, and their respective deregistration had not resulted in any liability or obligation against him.

Save as otherwise disclosed above and in this prospectus, each of our Directors confirms with respect to himself or herself that he/she (i) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management, substantial shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date; (iii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (iv) there are no other matters concerning our Director's appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained the legal advice on May 9, 2025 with regards to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our independent non-executive Directors has confirmed (i) his/her independence with regards to each of the factors as set out in Rule 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

SENIOR MANAGEMENT

The senior management of the Group, together with our executive Directors, are responsible for the day-to-day operations and management of the business of our Group.

Name	Age	Position	Date of Appointment and Joining Our Group	Key Role and Responsibility	Relationship with other Directors and Senior Management
Mr. LI Zhichen (李志晨)	34	Chairman of the Board, executive Director and chief executive officer	January 22, 2015	Responsible for the overall business development, management and strategic planning of our Group	N/A
Mr. PAN Yang (潘陽)	37	Executive Director and chief technology officer	January 22, 2015	Responsible for overseeing R&D and operation of our Group	N/A
Mr. HU Zhidong (胡治東)	33	Executive Director and chief financial officer	March 18, 2025	Responsible for overseeing financial and investor relationship management of the Group	N/A
Mr. LIN Haizhou (林海洲)	35	Chief operating officer	September 11, 2017	Responsible for overseeing operations, sales and marketing functions of the Group	N/A
Mr. MOU Qingqi (牟慶琦)	33	Chief marketing officer	May 1, 2019	Responsible for overseeing brand development, sales strategy and marketing management	N/A
Mr. LIU Guohui (劉國輝)	36	Vice president in production engineering	August 1, 2017	Responsible for overseeing supply chain management of the Group	N/A
Mr. LIU Yongliang (劉永良)	40	Vice president in human resources	July 1, 2021	Responsible for overseeing human resources and administration management of our Group	N/A

For biographical details of Mr. Li, Mr. Pan and Mr. Hu, please see "— Board of Directors — Executive Directors".

Mr. LIN Haizhou (林海洲), aged 35, is our chief operating officer. He joined our Group in September 2017 as our chief operating officer and was primarily responsible for overseeing operations, sales, and marketing functions of the Group. Mr. Lin served as our Director during the period from February 2021 to April 2025.

Mr. Lin has over 12 years of experience in operational management. From July 2011 to September 2017, and immediately prior to joining our Group, Mr. Lin worked as an technical support engineer at Ericsson (China) Communications Co., Ltd. (愛立信(中國)通信有限公司).

Mr. Lin obtained a bachelor's degree in electronic information engineering from Harbin Institute of Technology (哈爾濱工業大學) in July 2011.

Mr. MOU Qingqi (牟慶琦), aged 33, is our chief marketing officer. Mr. Mou joined our Group as our chief marketing officer since May 2019 and is primarily responsible for overseeing brand development, sales strategy, and marketing management of our Group. Mr. Mou served as our Director during the period from March 2022 to April 2025.

Mr. Mou has more than nine years of experience in sales and marketing. During the period from September 2016 to July 2018, he worked as the marketing director of Shenzhen Maxus Innovation Technology Co., Ltd. (深圳市廣懋創新科技有限公司). During the period from August 2018 to March 2019 and immediately prior to joining our Group, he worked as the marketing project manager of Shenzhen OnePlus Technology Co., Ltd. (深圳市萬普拉斯科技有限公司).

Mr. Mou obtained a bachelor's degree of engineering with a major in electronic engineering and a minor in business with first class honours from The Hong Kong University of Science and Technology (香港科技大學) in November 2014.

Mr. LIU Guohui (劉國輝), aged 36, is the vice president in production engineering of our Group. He joined our Group as our vice president in production engineering since August 2017 and was primarily responsible for supply chain management of our Group. Mr. Liu served as our Director during the period from October 2018 to April 2025.

Mr. Liu has over 14 years of experience in electronic engineering. During the period from July 2011 to August 2017 and immediately prior to joining our Group, he worked as an electronic designer at Jiangxi Hongdu Aviation Industry Co., Ltd. (江西洪都航空工業股份有限公司)(600316.SH) and was primarily responsible for design of flight controller hardware.

Mr. Liu obtained a bachelor's degree in automation from Harbin Institute of Technology (哈爾濱工業大學) in July 2011.

Mr. LIU Yongliang (劉永良), aged 40, is the vice president in human resources of our Group. He joined our Group as our vice president in human resources since July 2021 and was primarily responsible for overseeing human resources and administration management of our Group.

Mr. Liu has over 14 years of experience in human resources and administration management. During the period from July 2011 to June 2016, he worked at China Aviation Technology Shenzhen Co., Ltd. (中國航空技術深圳有限公司). During the period from June 2016 to May 2020, he worked as a senior human resources business partner at Shenzhen Global E-Commerce Co., Ltd. (深圳市環球易購電子商務有限公司), a company principally engaged in online business-to-consumer retailing. During the period from June 2020 to June 2021 and immediately prior to joining our Group, he worked as a senior human resources business partner at Shenzhen Huantai Technology Co., Ltd (深圳市歡太科技有限公司), which is an affiliated company of OPPO Guangdong Mobile Communications Co., Ltd. (OPPO廣東移動通信有限公司) and was primarily responsible for human resources and operational management.

Mr. Liu obtained a bachelor's degree in administration management from China University of Geosciences (Wuhan) (中國地質大學(武漢)) in June 2008. He further obtained a master's degree in administration management from Xiamen University (廈門大學) in June 2011.

JOINT COMPANY SECRETARIES

Mr. HU Zhidong (胡治東) was appointed as our joint company secretary on May 23, 2025. For details of his biography, see "Executive Directors" in this section.

Mr. CHUNG Ming Fai (鍾明輝) is our joint company secretary. He was appointed as our joint company secretary on May 23, 2025. Mr. Chung is a senior vice president at the corporate secretarial department of SWCS Corporate Services Group (Hong Kong) Limited. He has over 20 years of experience in corporate secretary, mergers and acquisitions, financial reporting and auditing. He has been appointed as company secretary for various companies listed on the Stock Exchange, including China Resources Beverage (Holdings) Company Limited (HKEX: 2460), China Resources Building Materials Technology Holdings Limited (HKEX: 1313) and iMotion Automative Technology (Suzhou) Co., Ltd. (HKEX: 1274).

Mr. Chung obtained a bachelor's degree in commerce from The Australian National University in December 2003. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code"), our Company has formed three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

Audit Committee

We have established the Audit Committee pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with paragraph D.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the

Audit Committee are to review and supervise our financial reporting process and internal control system of our Group, risk management and internal audit, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by our Board.

The Audit Committee consists of three Directors, namely Ms. Li Hui (李輝), Professor Ko Ping Keung (高秉強) and Professor Wang Yong (王勇). Ms. Li Hui (李輝) is the chairman of the Audit Committee. She is an independent non-executive Director and possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph E.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to (i) establish, review and provide advice to our Board on our policies concerning remuneration of Directors and senior management officers and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, (ii) to determine the terms of the specific remuneration package of each executive Director and senior management, (iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time, and (iv) to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration and Appraisal Committee consists of four Directors, namely Professor Wang Yong (王勇), Ms. Li Hui (李輝), Dr. Leung Suk Wai Winnie (梁淑慧), Mr. Li and Mr. Hu Zhidong (胡治東), with Professor Wang Yong (王勇) being the chairman.

Nomination Committee

We have established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules. The primary duties of the Nomination Committee are to (i) review the structure, size and composition of our Board on a regular basis and make recommendations regarding any proposed changes to the composition of our Board, (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board and (iii) assess the independence of our independent non-executive Directors and make recommendations on matters relating to the appointment, reappointment and removal of our Directors and succession planning.

The Nomination Committee consists of three members, namely Mr. Li, Dr. Leung Suk Wai Winnie (梁淑慧) and Professor Wang Yong (王勇), with Mr. Li being the chairman the Nomination Committee.

Dissolution of the Board of Supervisors of our Company

Pursuant to the Article 121 of the PRC Company Law, a joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors as provided for in the PRC Company Law. A company that has established such an audit committee is not required to have a board of supervisors or appoint supervisors.

The shareholders' general meeting of our Company held on May 27, 2025 approved the dissolution of the board of supervisors of our Company and the amendments of the Articles of Association to reflect the dissolution of the board of supervisors. The board of supervisors shall be dissolved upon the Listing.

Following the dissolution, the Audit Committee shall exercise the functions and powers of the board of supervisors as set out in the PRC Company Law, including but not limited to the supervision of the Company's compliance with laws and regulations by directors and senior management and protection of shareholders' interests.

BOARD DIVERSITY POLICY

Our Company is dedicated to fortify the effectiveness of our Board and to uphold high standards of corporate governance through the adoption of a board diversity policy. Our Company actively embraces the benefits of having a diverse Board, recognising that cultivating diversity at the Board level is pivotal in attaining our Company's strategic objectives. To do so, our Company will assess numerous factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. Selection for potential Board candidates will be based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. The ultimate decisions of Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board consists of a balanced blend of knowledge, skills and experience, including business management, finance and accounting, robot technology. We have three independent non-executive Directors who have distinct industry backgrounds, representing over one-third of our Board members. Further, our Board consists of six male members and three female members, with age range from 33 to 73 years old. A thorough assessment of our Board's membership, structure, and composition has led us to believe that our Board configuration is well-balanced, with Directors possessing a rich tapestry of experiences and skills that fortify our operational excellence.

Continuing our commitment to promoting gender diversity across all levels, our Board diversity policy advocates for a progress increase in the representation of female members on the Board post-Listing, whenever feasible, during the selection and recommendation of suitable candidates for Board appointments. We are also dedicated to fostering gender diversity in mid to senior staff recruitment to cultivate a pipeline of female senior management and potential successors to our Board. Striving for an equitable gender balance in alignment with stakeholder expectations and global best practices is a key objective for us. Given the unique backgrounds of our Directors and our specific operational needs, we are confident that our Board composition post-Listing aligns with the principles outlined in our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After Listing, our Nomination Committee will periodically review our board diversity policy to ensure its continued effectiveness, with annual disclosures on the implementation of our board diversity policy in our corporate governance report.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors and members of senior management receive compensation in the form of fees, salaries, allowances and benefits in kind, share-based payments, discretionary bonuses and retirement scheme contributions.

For the years ended December 31, 2022, 2023 and 2024 and the six month ended June 30, 2024 and 2025, the aggregate amount of emolument paid or payable to our Directors (i) salaries, bonuses, allowances and benefits in kind; (ii) performance-related bonus; (iii) pension scheme contributions; and (iv) share-based payment expenses, were RMB5.2 million, RMB6.2 million, RMB6.4 million, RMB3.2 million and RMB5.4 million, respectively.

For the years ended December 31, 2022, 2023, 2024 and the six month ended June 30, 2024 and 2025, the aggregate amount of emolument paid or payable to the five highest paid individuals of our Group who are neither Directors nor chief executive were RMB2.7 million, RMB2.9 million, RMB2.9 million, RMB1.5 million and RMB2.2 million, respectively.

During the Track Record Period, no emolument was paid to, or receivable by, our Directors or the five highest paid individuals of our Group as an inducement to join or upon joining our Group or as a compensation for loss of office in the Track Record Period.

Further, none of our Directors had waived any emolument during the same period. Pursuant to existing arrangements that are currently in force as at the date of this prospectus, the emolument (including fees, salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions) and exclusive of share-based payments payable to our Directors by us for the year ending December 31, 2025 are estimated to be no more than approximately RMB4 million in aggregate.

Our Board will review and determine the emoluments and compensation packages of our Directors and members of senior management. Following the Listing, our Board will receive recommendations from our Remuneration and Appraisal Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

Save as disclosed above, no other emolument had been paid, or are payable, by any member of our Group to our Directors during the Track Record Period. For additional information on our Directors' emoluments during the Track Record Period as well as information on the highest paid individuals, please refer to Notes 8 and 9 in the Accountants' Report set out in Appendix I to this prospectus.

COMPLIANCE ADVISOR

Pursuant to Rule 3A.19 of the Listing Rules, we have appointed Quam Capital Limited as our compliance advisor (the "Compliance Adviser"). Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will provide advice when consulted by the Company in relation to the followings:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- where we procure to use the proceeds from the Global Offering in a manner different form that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes any inquiry to our Company regarding unusual movement in the price or trading volume of our Shares under Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which our Company distributes our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code and the associated Listing Rules after the Listing.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Li currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and chief executive officer in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

To the best of the Directors' knowledge and information, the following persons will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any shareholders' meeting of our Company:

		As of the Latest Practicable Date		**Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised)**	
Shareholder	**Nature of Interest**	**Number of Unlisted Shares** *(Note 1)*	**Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company** %	**Number of H Shares** *(Note 1)*	**Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company** %
Mr. Li	Beneficial owner	4,364,845	21.82%	43,648,450	19.64%
	Interest in controlled corporation *(Note 2)*	1,647,113	8.24%	16,471,130	7.41%
	Interest of person acting in concert *(Note 3)*	2,893,423	14.47%	28,934,230	13.02%
Mr. Pan	Beneficial owner	2,893,423	14.47%	28,934,230	13.02%
	Interest of person acting in concert *(Note 3)*	4,364,845	21.82%	43,648,450	19.64%
Wonder Innovation ESOP	Beneficial owner	1,647,113	8.24%	16,471,130	7.41%

Shareholder	Nature of Interest	As of the Latest Practicable Date: Number of Unlisted Shares *(Note 1)*	As of the Latest Practicable Date: Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %	Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised): Number of H Shares *(Note 1)*	Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised): Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %
Songshan Lake Robot Institute	Beneficial owner	1,361,060	6.81%	13,610,600	6.12%
Doumiao Technology Ltd. ("Doumiao Tech")	Interest in controlled corporation *(Note 4)*	1,361,060	6.81%	13,610,600	6.12%
Clear Water Bay Startup Fund GP ("CWB Startup GP")	Interest in controlled corporation *(Note 5, 6)*	1,234,159	6.17%	12,341,590	5.55%
Professor Li	Interest in controlled corporation *(Note 6)*	2,595,219	12.98%	25,952,190	11.68%
Brizan Ventures V	Beneficial owner	1,944,590	9.72%	19,445,900	8.75%
Professor Ko	Interest in controlled corporation *(Note 7)*	1,944,590	9.72%	19,445,900	8.75%
Mr. Kwong U Hoi Andrew (鄺宇開) ("Mr. Kwong")	Interest in controlled corporation *(Note 7)*	1,944,590	9.72%	19,445,900	8.75%

Shareholder	Nature of Interest	As of the Latest Practicable Date Number of Unlisted Shares *(Note 1)*	As of the Latest Practicable Date Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %	Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised) Number of H Shares *(Note 1)*	Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised) Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %
Suzhou Yuanming Venture Capital Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥)) ("Suzhou Yuanming VC LP")	Beneficial owner	1,661,668	8.31%	16,616,680	7.48%
Nanjing Yuanxin Management Consulting Co., Ltd. (南京源芯管理諮詢有限公司) ("Nanjing Yuanxin")	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%
Hangzhou Yiqian Enterprise Management Consulting Co., Ltd. (杭州毅謙企業管理諮詢有限公司) ("Hangzhou Yiqian")	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%
Nanjing Yuanling Equity Investment Partnership (Limited Partnership) (南京源嶺股權投資合夥企業(有限合夥)) ("Nanjing Yuanling LP")	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%

Shareholder	Nature of Interest	As of the Latest Practicable Date		Immediately following the Completion of the Global Offering and the H-Share Full Circulation (Assuming the Over-allotment Option Is Not Exercised)	
		Number of Unlisted Shares *(Note 1)*	Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %	Number of H Shares *(Note 1)*	Approximate Percentage of Shareholding in the Total Issued Share Capital of Our Company %
Beijing Yuanwei Equity Investment Partnership (Limited Partnership) (北京源為股權投資合夥企業(有限合夥)) ("Beijing Yuanwei LP")	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%
Beijing Yuanxin Investment Management Co., Ltd. (北京源芯投資管理有限公司) ("Beijing Yuanxin")	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%
Mr. Cao Yi (曹毅)	Interest in controlled corporation *(Note 8)*	1,661,668	8.31%	16,616,680	7.48%

Notes:

(1) All interests are long positions.

(2) As of the Latest Practicable Date, Mr. Li acted as the general partner of Wonder Innovation ESOP. Under the SFO, Mr. Li is deemed to be interested in the all the Shares held by Wonder Innovation ESOP.

(3) Mr. Li and Mr. Pan entered into the Acting-in-concert Agreement, pursuant to which Mr. Pan had undertaken, among other things, to unilaterally follow the voting instructions of Mr. Li to exercise his voting power and vote unanimously at the Shareholders' meeting of our Company for so long as Mr. Li is a Shareholder of our Company. Therefore, under the SFO, in addition to their respective direct beneficial interests, each of Mr. Li and Mr. Pan is also deemed to be interested in the interest of the other concert party.

(4) As of the Latest Practicable Date, the equity interests of Songshan Lake Robot Institute are owned as to 100% by Clear Water Bay Robotic Technology Investment (HK) Limited ("CWB Robotic Tech"), the shares of which in turn are owned as to 100% by Clear Water Bay Robotic Investment Limited Company ("CWB Robotic Investment"), and the shares of which are in turn are owned as to 67.67% by Doumiao Tech. The shares of Doumiao Tech are entirely owned by Professor Li. Accordingly, under the SFO, each of CWB Robotic Tech, CWB Robotic Investment, Doumiao Tech and Professor Li are deemed to be interested in the Shares held by Songshan Lake Robot Institute.

(5) As of the Latest Practicable Date: the equity interests of Yinghu Intelligent are owned as to 100% by Yingling Venture Capital (China) Co., Ltd. (盈瓴創投(中國)有限公司) ("Yingling VC"), the equity interest of which is in turn owned as to 100% by CWB SPV HK Limited (清水灣香港盈瓴有限公司) ("CWB SPV HK"), the shares of which are in turn owned as to 100% by CWB SP 16 Series-1 LP ("CWB SP 16"). CWB SP 16 is a limited partnership, with CWB Startup GP being the general partner. The shares of CWB Startup GP are owned as to 57% by Professor Li. Accordingly, under the SFO, each of Yinghu Intelligent, Yingling VC, CWB SPV HK, CWB SP 16, CWB Startup GP and Professor Li are deemed to be interested in the Shares held by Yinghu Intelligent.

(6) As of the Latest Practicable Date, the equity interests of Dongguan Yunhe are owned as to 100% by CWB Startup Invest HK Limited (清水灣香港創投有限公司) ("CWB Startup HK"), the shares of which are owned as to 100% by Clear Water Bay Startup Fund LP ("CWB Startup LP"). CWB Startup LP is a limited partnership, with CWB Startup GP being the general partner and Professor Li being a limited partner with 57% partnership interest therein. The shares of CWB Startup GP are owned as to 57% by Professor Li. Accordingly, under the SFO, each of CWB Startup HK, CWB Startup LP, CWB Startup GP and Professor Li are deemed to be interested in the Shares held by Dongguan Yunhe.

(7) As of the Latest Practicable Date, Brizan Ventures GP V Limited is the general partner of Brizan Ventures V, the shareholding interests of which is owned as to 50% by Professor Ko and 50% by Mr. Kwong. Accordingly, both Professor Ko and Mr. Kwong are deemed to be interested in the Shares held by Brizan Ventures V.

(8) As of the Latest Practicable Date:

(i) the general and executive managing partner of Suzhou Yuanming VC LP is Nanjing Yuanxin, the equity interests of which are owned as to 100% by Nanjing Yuankai Management Consulting Group Co., Ltd (南京源凱管理諮詢集團有限公司) ("Nanjing Yuankai"), the equity interests of which are in turn owned as to 100% by Nanjing Yuanju Technology Co., Ltd. (南京源矩科技有限公司) ("Nanjing Yuanju"), the equity interests of which are in turn owned as to approximately 82.18% by Hangzhou Yiqian. The entire equity interests of Hangzhou Yiqian are owned by Mr. Cao;

(ii) Nanjing Yuanling LP is a limited partner of Suzhou Yuanming VC LP, holding approximately 44.93% partnership interest therein. The general and executive managing partner of Nanjing Yuanling LP is Nanjing Yuanxin, which is ultimately controlled by Mr. Cao; and

(iii) Beijing Yuanwei LP is a limited partner of Suzhou Yuanming VC LP, holding approximately 38.42% partnership interest therein. The general and executive managing partner of Beijing Yuanwei LP is Beijing Yuanin, the equity interests of which are owned as to 100% by Lhasa Yuanchi Investment Management Co., Ltd. (拉薩源馳投資管理有限公司) ("Lhasa Yuanchi"), the equity interests of which are owned as to 100% by Mr. Cao.

Accordingly, under the SFO, each of Nanjing Yuanxin, Nanjing Yuankai, Nanjing Yuanju, Hangzhou Yiqian, Nanjing Yuanling LP, Nanjing Yuanxin, Beijing Yuanwei LP, Beijing Yuanxin, Lhasa Yuanchi and Mr. Cao are deemed to be interested in the Shares held by Suzhou Yuanming VC LP.

Save as disclosed above and in "Appendix VI — Statutory and General Information" of this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Global Offering (and the offering of any additional H Shares pursuant to the Over-allotment Option), have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of the Company or any other members of our Group.

THE CORNERSTONE INVESTMENTS

We have entered into cornerstone investment agreements (each a "Cornerstone Investment Agreement", and together the "Cornerstone Investment Agreements") with the cornerstone investors set out below (each a "Cornerstone Investor", and together the "Cornerstone Investors"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) which may be purchased at the Offer Price with an aggregate amount of approximately HK$700.0 million, calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus (exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) (the "Cornerstone Investment").

Based on the Offer Price of HK$63.0 per Offer Share (being the low end of the indicative Offer Price), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 11,110,600 H Shares, representing (i) approximately 50.00% of the Offer Shares pursuant to the Global Offering and approximately 5.00% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised); or (ii) approximately 43.48% of the Offer Shares pursuant to the Global Offering and approximately 4.93% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

Based on the Offer Price of HK$72.0 per Offer Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 9,721,700 H Shares, representing (i) approximately 43.75% of the Offer Shares pursuant to the Global Offering and approximately 4.37% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised); or (ii) approximately 38.04% of the Offer Shares pursuant to the Global Offering and approximately 4.31% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

Based on the Offer Price of HK$81.0 per Offer Share (being the high end of the indicative Offer Price), the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 8,641,500 H Shares, representing (i) approximately 38.89% of the Offer Shares pursuant to the Global Offering and approximately 3.89% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised); or (ii) approximately 33.82% of the Offer Shares pursuant to the Global Offering and approximately 3.83% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

The Company is of the view that, (i) the Cornerstone Investment will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) the Cornerstone Investment demonstrates our Cornerstone Investors' confidence in the Company and its business prospect and it will help raise the profile of the Company. The Company became acquainted with each of the Cornerstone Investors through the business network of the Group or the Overall Coordinators. The Cornerstone Investment will form part of the International Offering, and save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the completion of the Global Offering and to be listed on the Stock Exchange. The Offer Shares to be subscribed for by the Cornerstone Investors will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules.

Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors will become a substantial shareholder of the Company; (ii) none of the Cornerstone Investors will have any Board representation in the Company solely by virtue of its cornerstone investment, and (iii) 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.

To the best knowledge of the Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not a close associate with any of the existing Shareholders; (ii) none of the Cornerstone Investors is accustomed to taking instructions from the Company, the Directors, supervisors, chief executive of the Company, the Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting, or other disposition of H Shares registered in its name or otherwise held by it; and (iii) none of the subscription for the relevant Offer Shares by the Cornerstone Investors is financed by the Company, the Directors, supervisors, chief executive of the Company, the Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates for the purpose of subscription of the Offer Shares.

To the best knowledge of the Company and as confirmed by each of the Cornerstone Investors, they made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscriptions under the Cornerstone Investment would be financed by their own internal resources or (in the case of the Cornerstone Investor which is funds or investment manager) the assets managed for its investors (save for Wind Sabre, the subscription of the relevant shares may be financed by external financing from a prime broker, and without any relevant Shares charged to any third party including the prime broker as security for such financing). None of the Cornerstone Investors or their shareholder(s) are listed on any stock exchanges. The Cornerstone Investors have also confirmed that all necessary approvals have been obtained with respect to the Cornerstone Investment and that no specific approval from any stock exchange (if relevant) or their shareholders is required for the Cornerstone Investment. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. Other than the Cornerstone Investment Agreements, as confirmed by each of the Cornerstone Investors, there are no side agreements or arrangements between us and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Investment may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Practice Note 15 to the Listing Rules as well as the discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) to exercise the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around December 29, 2025.

Pursuant to the Cornerstone Investment Agreements, the Overall Coordinators (for themselves and on behalf of the International Underwriters) has the discretion to effect a delayed delivery of the Offer Shares to be subscribed for by certain Cornerstone Investors on a date later than the Listing Date, subject to the conditions contained therein. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Each of the Cornerstone Investors has agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange, irrespective of whether there is delayed delivery of the H Shares.

THE CORNERSTONE INVESTORS

The table below sets out details of the Cornerstone Investment:

Based on the Offer Price of HK$63.0 (being the low point of the indicative Offer Price range)

			Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
Cornerstone Investor	Subscription amount(1)	Number of Offer Shares to be acquired(2)	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
HACF, LP	US$30,000,000	3,704,500	16.67%	1.67%	14.50%	1.64%
Cithara	US$20,000,000	2,469,600	11.11%	1.11%	9.66%	1.09%
Infini	US$15,000,000	1,852,200	8.33%	0.83%	7.25%	0.82%
China Orient EIF	US$7,000,000	864,300	3.89%	0.39%	3.38%	0.38%
China Orient MSMF	US$3,000,000	370,400	1.67%	0.17%	1.45%	0.16%
Wind Sabre	US$5,000,000	617,400	2.78%	0.28%	2.42%	0.27%
Yield Royal	US$4,980,000	614,900	2.77%	0.28%	2.41%	0.27%
Sage Partners	US$3,000,000	370,400	1.67%	0.17%	1.45%	0.16%
Sage Sunshine	US$2,000,000	246,900	1.11%	0.11%	0.97%	0.11%
Total	**US$89,980,000**	**11,110,600**	**50.00%**	**5.00%**	**43.48%**	**4.93%**

Based on the Offer Price of HK$72.0 (being the mid point of the indicative Offer Price range)

			Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
Cornerstone Investor	Subscription amount(1)	Number of Offer Shares to be acquired(2)	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
HACF, LP	US$30,000,000	3,241,400	14.59	1.46	12.68	1.44
Cithara	US$20,000,000	2,160,900	9.72	0.97	8.45	0.96
Infini	US$15,000,000	1,620,700	7.29	0.73	6.34	0.72
China Orient EIF	US$7,000,000	756,300	3.40	0.34	2.96	0.34
China Orient MSMF	US$3,000,000	324,100	1.46	0.15	1.27	0.14
Wind Sabre	US$5,000,000	540,200	2.43	0.24	2.11	0.24
Yield Royal	US$4,980,000	538,000	2.42	0.24	2.11	0.24
Sage Partners	US$3,000,000	324,100	1.46	0.15	1.27	0.14
Sage Sunshine	US$2,000,000	216,000	0.97	0.10	0.85	0.10
Total	**US$89,980,000**	**9,721,700**	**43.75**	**4.37**	**38.04**	**4.31**

Based on the Offer Price of HK$81.0 (being the high end of the indicative Offer Price range)

Cornerstone Investor	Subscription amount(1)	Number of Offer Shares to be acquired(2)	Assuming the Over-Allotment Option is not exercised: Approximate % of the Offer Shares	Assuming the Over-Allotment Option is not exercised: Approximate % of the issued share capital	Assuming the Over-Allotment Option is fully exercised: Approximate % of the Offer Shares	Assuming the Over-Allotment Option is fully exercised: Approximate % of the issued share capital
HACF, LP	US$30,000,000	2,881,200	12.97%	1.30%	11.27%	1.28%
Cithara	US$20,000,000	1,920,800	8.64%	0.86%	7.52%	0.85%
Infini	US$15,000,000	1,440,600	6.48%	0.65%	5.64%	0.64%
China Orient EIF	US$7,000,000	672,300	3.03%	0.30%	2.63%	0.30%
China Orient MSMF	US$3,000,000	288,100	1.30%	0.13%	1.13%	0.13%
Wind Sabre	US$5,000,000	480,200	2.16%	0.22%	1.88%	0.21%
Yield Royal	US$4,980,000	478,200	2.15%	0.22%	1.87%	0.21%
Sage Partners	US$3,000,000	288,100	1.30%	0.13%	1.13%	0.13%
Sage Sunshine	US$2,000,000	192,000	0.86%	0.09%	0.75%	0.09%
Total	**US$89,980,000**	**8,641,500**	**38.89%**	**3.89%**	**33.82%**	**3.83%**

Notes:

(1) Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus. The actual investment amount may vary due to the exchange rate prescribed in the relevant Cornerstone Investment Agreement.

(2) Rounded down to the nearest whole board lot of 100 H Shares.

(3) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the date of exercise of Over-allotment Option.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Investment.

HACF, L.P.

HACF, L.P. is a limited partnership formed under the laws of the Cayman Islands and is managed by HHLR Advisors, Ltd. ("HHLRA"), which is an Independent Third Party. There is no individual limited partner investor who holds an economic interest of 30% or more in HACF, L.P.

HHLRA collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across consumer, industrial, healthcare, and business services sectors. HHLRA manages capital for global institutions, including non-profit foundations, endowments, and pensions.

Cithara

Cithara Global Multi-Strategy SPC — Bosideng Industry Investment Fund SP ("Cithara Fund") is an exempted segregated portfolio company incorporated in the Cayman Islands. The Cithara Fund's objective is to deliver risk adjusted absolute return with a focus on long-term capital preservation. The investment manager of Cithara Fund is Cithara Investment International Limited ("Cithara"), a company incorporated in Hong Kong in 2016 and licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) of the regulated activities as defined under the SFO. Cithara is ultimately wholly owned by Zhang Jun (張俊) who is an Independent Third Party. Song Yan, an Independent Third Party, is the ultimate beneficial owner of Cithara Fund with more than 30% of beneficial interest. No other ultimate beneficial owner of Cithara Fund holds 30% or more of beneficial interest.

Infini

Infini Global Master Fund ("Infini") is a multi-strategy discretionary investment fund with wide investor base, managed by Infini Capital Management Limited (無極資本管理有限公司) ("Infini Capital"). With dual headquarters in Hong Kong and Abu Dhabi, Infini Capital is licensed by the SFC and the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA). Infini Capital is wholly-owned by Infini Capital Global, a Cayman Island holding company. None of the investor holds 30% or more interest in Infini Capital Global. None of the investor holds 30% or more interests in the fund.

China Orient MSMF and China Orient EIF

China Orient International Asset Management Limited ("China Orient International") acts as the investment manager of China Orient Enhanced Income Fund ("China Orient EIF") and China Orient Multi-Strategy Master Fund ("China Orient MSMF"), both being registered in the Cayman Islands. China Orient International Asset Management Limited was incorporated in Hong Kong with limited liability and is licensed with the SFC to carry on business in Type 1 (dealing on securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. China Orient International Fund Management Limited, a company incorporated in the Cayman Islands with limited liability, is the sole management shareholder of China Orient EIF and China Orient MSMF. China Orient Asset Management (International) Holding Limited holds 30% or more interests in the funds. Both China Orient International Fund Management Limited and China Orient International Asset Management Limited are wholly-owned subsidiaries of China Orient Asset Management (International) Holding Limited. China Orient Asset Management (International) Holding Limited is ultimately controlled Central Huijin Investment Ltd, a state-owned investment company, established in December 2003 and mandated to exercise the rights and the obligations as an investor in major state-owned financial enterprises, on behalf of the People's Republic of China.

Wind Sabre

Wind Sabre Fund SPC on behalf of Wind Sabre Opportunities Fund SP ("Wind Sabre") is a fund established in the Cayman Islands. Wind Sabre Fund SPC is a Segregated Portfolio Company incorporated in the Cayman Islands with limited liabilities and is an Independent Third Party, and Wind Sabre Opportunities Fund SP is a segregated portfolio of Wind Sabre Fund SPC. Wind Sabre Fund SPC is controlled by Wind Sabre Capital Limited as the investment manager, which is a company incorporated in Hong Kong and licensed to carry out type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. Well Smart Developments Limited, which is wholly owned by Chow Tai Fook (Nominee) Limited, an Independent Third Party, is the only investor who holds over 30% interest in the fund. No single ultimate beneficial owner holds 30% or more interest in Chow Tai Fook (Nominee) Limited.

Wind Sabre may obtain external financing from a prime broker to finance its subscription of H Shares. The loan(s), if obtained, will be on normal commercial terms after arm's length negotiations. The H Shares to be subscribed for by Wind Sabre will not be charged to the prime broker as security for such loan(s).

Yield Royal

Yield Royal Investment Holding (Singapore) PTE. LTD. ("**Yield Royal Investment**") is a company incorporated in Singapore. The company is primarily engaged in international commodity trading and conducts global capital market investments. Currently, its investments span various industries, including TMT, advanced manufacturing, new economy, and bio-pharmaceuticals, among others. Yield Royal Investment aims to achieve long-term and stable value returns. Leveraging on Southeast Asia's unique geographical advantages, the company will continue to pursue a twin-engine strategy combining capital support and resource integration, empowering high-quality enterprises from the Asia-Pacific region and mainland China to accelerate their global expansion.

The entire issued share capital of Yield Royal Investment is owned by Gallantlion Resources Pte. Ltd., a private company limited by shares incorporated under the laws of Singapore, which in turn is wholly owned by Ms. Chang Hongna (常紅娜), an Independent Third Party.

Sage Partners and Sage Sunshine

Sage Partners Master Fund ("Sage Partners Master Fund") is an exempted company with limited liability incorporated in the Cayman Islands, and is managed by Sage Partners Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company established in 2019. Mr. Wang Fei (王斐) is the only ultimate beneficial owner owning more than 30% of the interest. Sage Partners Master Fund is a discretionary fund investing in emerging technologies with a long-term fundamental-based approach. None of the investors in Sage Partners Master Fund holds 30% or more of its interest. To the best knowledge of our Directors, each of Sage Partners Master Fund and its management company is an Independent Third Party.

Sage Sunshine 1 Limited ("Sage Sunshine") is incorporated in the British Virgin Islands (BVI) as an investment vehicle to invest in emerging technologies. The ultimate beneficial owner is Mr. Wang Fei who is the only person owning more than 30% interest of Sage Sunshine. To the best knowledge of our Director, Sage Sunshine and its ultimate beneficial owner are Independent Third Parties.

CLOSING CONDITIONS

The subscription obligation of each of the Cornerstone Investors under the respective Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

(a) the underwriting agreements for the Hong Kong Public Offering and the International Offering 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 these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;

(b) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by each of the Cornerstone Investors) as well as other applicable waivers and approvals (including waivers and approvals related to the subscription of the H Shares by each of the Cornerstone Investors), and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(e) the respective representations, warranties, undertakings, acknowledgements and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the respective Cornerstone Investment Agreement) and the delayed delivery date (as applicable)) true, accurate and complete in all respects and not misleading and that there is no breach of such Cornerstone Investment Agreement on the part of the Cornerstone Investor.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from and including the Listing Date (the "Lock-up Period"), dispose of any of the Offer Shares they have subscribed for pursuant to the relevant Cornerstone Investment Agreement, save for in certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, our registered and issued share capital was RMB20,000,000, comprising 20,000,000 Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Share Subdivision, the Global Offering and the H-Share Full Circulation, our registered capital will become RMB22,222,230, comprising 222,222,300 Shares with a nominal value of RMB0.10 each. Assuming that 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 *(Note 1)*	200,000,000	90.00
H Shares to be issued under the Global Offering	22,222,300	10.00
Total	222,222,300	100.0

Note:

(1) Our Company has applied for H-share Full Circulation to convert the Unlisted Shares into H Shares as per the instructions of our Shareholders. The conversion of Unlisted Shares into H Shares will involve an aggregate of 200,000,000 Unlisted Shares (assuming the Share Subdivision has taken place), representing approximately 90% of the total issued Share capital of our Company upon completion of the conversion of Unlisted Shares into H Shares and the Global Offering (assuming no exercise of the Over-allotment Option).

Immediately following completion of the Share Subdivision, the Global Offering and the H-Share Full Circulation, and assuming that 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 of the Enlarged Issued Share Capital After the Global Offering %
H Shares converted from Unlisted Shares	200,000,000	88.67
H Shares to be issued under the Global Offering	22,222,300	9.85
H Shares to be issued pursuant to the exercise of the Over Allotment Option in full	3,333,300	1.48
Total	225,555,600	100

OUR SHARES

Upon completion of the H-Share Full Circulation, the Shares will consist only of H Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons. Unlisted Shares can only be subscribed for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in Renminbi. Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association.

H Shares and Unlisted Shares shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Unlisted Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

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 Stock Exchange, such conversion, listing and trading will need the filling of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Register with the CSRC and H-Share 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 and submit listing and circulation on the Stock Exchange shall file with the CSRC materials on key compliance issues. An unlisted domestic joint stock company may apply for "H-Share Full Circulation" when applying for an overseas initial public offering.

The Company applied for a "H-Share Full Circulation" filing when filing with the CSRC for an overseas listing on June 8, 2025, and submitted the filing reports, authorization documents of the shareholders of Unlisted Shares which applied for the H-share "H-Share Full Circulation", undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The Company has received the filing notice from the CSRC dated December 5, 2025 in relation to the registration of the overseas listing and "H-Share Full Circulation", pursuant to which (1) the Company was approved to issue no more than the maximum number of H Shares with a nominal value of RMB0.10 each that may be issued pursuant to the Global Offering and the Over-allotment Option with, which are all ordinary shares, and the Company may be listed on the Main Board of the Stock Exchange; (2) a total of 200,000,000 Unlisted Shares held by each of our Shareholders as of the Latest Practicable Date (the "H-Share Full Circulation Participating Shareholders") were approved to be converted into H Shares, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, (i) 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 (ii) the H Shares to be converted from 200,000,000 Unlisted Shares, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the conversion of the relevant Unlisted Shares into H Shares after receiving the approval of the 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.

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

Under the PRC Company Law, Shares which have been in issue before we publicly issue Shares may not be transferred within one year from the date of listing on a stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within a period of one year from the Listing Date. Our Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For further details, see "Appendix V — Summary of Articles of Association."

SHAREHOLDERS' MEETINGS

For details of circumstances under which our Shareholders' meetings are required, see "Appendix V — Summary of Articles of Association."

You should read the following discussion in conjunction with the consolidated financial statements and the notes thereto included in the Accountants' Report in Appendix I to this prospectus which has been prepared in accordance with IFRS, and the selected historical financial information and operating data included elsewhere in this prospectus.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future development, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Forward-Looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are a global provider of home robotic systems, with a particular focus on the markets in Japan, Europe and North America, and are dedicated to building an ecosystem centered around smart home robotic products. According to the Frost & Sullivan Report, we ranked first globally among providers of home robotic systems in terms of retail sales in 2024 with a market share of 11.9%, and a leading provider of home robotic systems offering a broad range of home robotic categories designed for a variety of home living scenarios. Our offerings primarily comprise: (i) execution-enhanced robots, including dexterous hand-mimic robots such as lock robots, curtain robots and finger robots, enhanced mobile robots such as multitasking household robots, and sports robots; (ii) perception and decision-making systems, including smart hubs, smart sensors and smart cameras; and (iii) other smart home products and services, such as light and power tools and smart home appliances. With technical R&D and product innovation as our core drivers, we leverage our advantages across the industry chain encompassing R&D, production, and sales to continuously enhance the application and development of home robotic technology in a wide array of home living scenarios, including home automation, domestic chores, AI butler, elderly care, security and energy management, while continuously expanding the depth of our scenario coverage and enhancing our products' autonomous learning and decision-making capabilities to provide users with a complete and enriched smart home living ecosystem.

During the Track Record Period, we have achieved significant growth. Our revenue increased from RMB274.6 million in 2022 to RMB457.3 million in 2023, and further to RMB609.9 million in 2024, representing a CAGR of 49.0% from 2022 to 2024. Our revenue increased from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. Our gross profit increased from RMB94.1 million in 2022 to RMB230.5 million in 2023 and further to RMB315.6 million in 2024, representing a CAGR of 83.1% from 2022 to 2024. Our gross profit increased from RMB138.8 million for the six months ended June 30, 2024 to RMB214.8 million for the six months ended June 30, 2025. Our gross profit margin has reached 50.4% and 51.7% in 2023 and 2024, respectively. Our net loss position has also significantly improved during the Track Record Period, which decreased from a net loss of RMB87.0 million in 2022 to a net loss of RMB16.4 million in 2023 and further to a net loss of RMB3.1 million in 2024. We recorded a net loss of RMB13.6 million and a net profit of RMB27.9 million for the six months ended June 30, 2024 and 2025, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The following factors are the principal factors that have affected, and which we expect will continue to affect, our business, financial condition, results of operations and prospects. The following should be read in conjunction with the section headed "Risk Factors" in this prospectus and the Accountants' Report included as Appendix I to this prospectus.

General economic conditions and consumer spending in our key markets

Our business is influenced by general economic conditions and consumer spending patterns in our key markets, particularly Japan, Europe and North America, which accounted for 67.7%, 17.2% and 11.7% of our revenue for the six months ended June 30, 2025, respectively. Our home robotic system products are designed to enhance people's quality of life and represent discretionary purchases for end consumers. As such, the demand for our products is sensitive to macroeconomic conditions, consumer confidence, their disposable income levels, and their overall spending patterns.

Macroeconomic factors such as GDP growth rates, unemployment levels, inflation, and changes in disposable income directly influence end consumers' spending behavior on non-essential goods, including our home robotic system products. For example, during periods of economic uncertainty, recession, or reduced consumer confidence, end consumers may delay or reduce purchases of discretionary items such as our home robotic system products or other smart home products and services. This could result in decreased demand for our products, pricing pressure, increased competition, and reduced profitability. Conversely, favorable economic conditions, rising disposable income, and increased consumer interest in smart home automation and AI technology can drive the demand for our products and support premium pricing. Moreover, changes in consumer spending patterns due to shifts in economic policies, interest rates, or inflation could further influence the affordability and desirability of our products.

In addition, the development and maturation of home robot industry also depend on a number of broader economic factors, including technology adoption rates, infrastructure development, and regulatory support for AI and IoT technologies. Economic downturns may also affect the purchasing power of our retail partners and distributors, potentially impacting their inventory levels and willingness to carry our products.

Furthermore, economic conditions in different regions may vary significantly, and our performance may be affected differently across our key markets. For example, economic conditions in Japan, our largest market, may have a disproportionate impact on our overall results of operations. Changes in economic policies, interest rates, inflation, employment levels, and consumer sentiment in any of our key markets could materially affect our business, financial condition, and results of operations.

Our ability to capture market opportunities with new products and enhance our results of operations

Our ability to compete successfully in the home robotic system products market depends heavily on our capability to continuously introduce innovative products and technologies. During the Track Record Period, our revenue growth was largely driven by the introduction of new products, including enhanced mobile robots such as our SwitchBot K10+, which was introduced in 2023 and as of the Latest Practicable Date, was the world's smallest laser vacuum robot in terms of product diameter. It became our new growth engine that drove the sales of enhanced mobile robots since its launch, which increased from RMB56.7 million in 2023 to RMB110.3 million in 2024, and from RMB58.2 million for the six months ended June 30, 2024 to RMB64.1 million for the six months ended June 30, 2025.

We have been continuously expanding our product portfolio. However, the introduction of new product categories may subject us to additional risks and challenges. As we may not have sufficient experience and relevant customer data for these new product categories, it may be difficult for us to anticipate and respond to customer demands and preferences. We may misjudge customer demands, resulting in excessive inventories and possible inventory write-downs. We may also experience higher return rates on new product categories, receive more customer complaints and face costly product liability claims, which would harm our brand and reputation as well as our financial performance. Furthermore, we may not be able to negotiate favorable terms with suppliers for our new products.

We may need to price aggressively to gain market share or remain competitive in the new product categories. It may be difficult for us to achieve profitability in new product categories, and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product categories.

Our relationship with Amazon

Our revenue generated through Amazon SC amounted to RMB79.8 million, RMB120.0 million, RMB173.0 million, RMB62.7 million and RMB90.4 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing approximately 29.1%, 26.3%, 28.4%, 22.8% and 22.8% of our total revenue for the same periods, respectively. Our revenue generated from Amazon VC amounted to RMB145.1 million, RMB178.2 million, RMB218.6 million, RMB112.4 million and RMB175.2 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, representing approximately 52.8%, 38.9%, 35.8%, 40.9% and 44.2% of our total revenue for the same periods, respectively. Accordingly, Amazon, through Amazon VC, continues to be our largest customer and will likely contribute a substantial portion of our total revenue in the foreseeable future. As such, our profitability, performance and financial results rely on, among other things, our continued strong business relationship with Amazon.

We have maintained a stable business relationship with Amazon since 2018, and our revenue generated from/through Amazon has been growing steadily. We believe our relationship with Amazon will not materially and adversely change or terminate based on our proven sales track record on Amazon, our compliance with Amazon's terms and conditions, and the mutually beneficial nature of our relationship. Please refer to the section headed "Business — Customers — Our Relationship with Amazon" in this prospectus for details. However, any deterioration in our relationship with Amazon, suspension of our accounts, or unfavorable adjustments in Amazon's policies or fee structures could materially and adversely affect our business, financial condition and results of operations.

Our research and development capabilities

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we incurred research and development expenses of RMB61.8 million, RMB89.2 million, RMB112.0 million, RMB56.7 million and RMB58.7 million, respectively, representing 22.5%, 19.5%, 18.4%, 20.6% and 14.8% of our total revenue for the same periods, respectively. Our products are the results of our R&D efforts to enhance user experience and make the most of our products' innovative features. We plan to increase our revenue and profitability by continuing to expand and upgrade our product portfolio and product offerings, and by charging premium prices for certain of our products with more sophisticated and advanced home robotics technologies.

We have developed three core home robotics technologies, namely, robot positioning and environment construction technology, AI machine vision control technology, and distributed neural control network technology. These technologies form the foundation of our competitive advantage and have been integrated into our home robotic system products. For details of these core technologies, please refer to the section headed "Business — Our Technologies" in this prospectus.

However, our R&D efforts may not be successful or yield the anticipated level of economic benefits. Even if our R&D efforts are successful, we may not be able to apply these newly developed technologies to products that will be accepted by the market or apply them in a timely manner to take advantage of the opportunities presented in the market. Specifically, we face challenges in accurately predicting market demand for our new products, given factors such as evolving consumer preferences, technological advancements, and competition. If our new products fail to achieve widespread market acceptance, the revenue generated may be insufficient to offset the substantial R&D expenditures incurred in connection with their development. The level of economic benefit that can be derived from newly developed technologies or products may also be affected by our research and development expenses. We may invest substantial amounts in developing new products, such as hiring additional R&D personnel and establishing new R&D centres. Our ability to recoup investment is also dependent on R&D efficiency. Efficient R&D not only reduces costs but also accelerates the development and commercialization of new products, allowing us to capitalize on market opportunities ahead of competitors. If the sales of new products cannot cover the additional research and development expenses, we may not recoup our investment as expected. If any of the aforesaid occurs, it may have a material adverse effect on our business, financial condition, results of operations and future development.

Effectiveness of our sales and distribution network

The effectiveness of our sales and distribution network has been pivotal to our success. During the Track Record Period, our products were sold in more than 90 countries and regions globally with Japan, Europe and North America as our key markets. We have established an omni-channel sales and distribution network that includes DTC channels, retailer channels and distribution channels. Our DTC channels generally consist of various e-commerce platforms, including Amazon SC and our self-operated website. Our retailer channels mainly include major retailers, such as Amazon VC, and specialty retailers, which purchase products from us directly and sell to end consumers. Our distributor channels primarily include distributors, which purchase products from us and primarily distribute them to sub-distributors and retailers.

We have been actively diversifying our sales channels to mitigate reliance on any single platform. Revenue from channels other than Amazon increased from RMB49.7 million in 2022 to RMB218.3 million in 2024. Revenue generated from channels other than Amazon increased from RMB99.8 million for the six months ended June 30, 2024 to RMB130.7 million for the six months ended June 30, 2025. We have also been expanding our retail and distribution partnerships, with our products available in over 2,000 offline retail stores as of the Latest Practicable Date.

Our ability to maintain and expand our sales and distribution network is crucial to our continued growth. Any disruption to our sales channels, loss of key retail partners, or our inability to effectively manage our distribution network could materially and adversely affect our business performance and results of operations. Conversely, our ability to strengthen relationships with existing partners and establish new distribution channels will contribute to our future business growth.

Maintaining the trusted brand image of our products

Since our inception, we have built our “SwitchBot” brand leveraging our core competencies in home robotic systems. Our brand has received recognition from end consumers around the world, evidenced by over 3.5 million cumulative users who had registered with our SwitchBot App from its launch until the Latest Practicable Date. Any loss of trust in our products could harm the value of our brand, which could materially reduce our revenue and profitability.

Our ability to maintain our position as a trusted brand for home robotic systems depends on various factors, such as continued offering of quality and innovative products to our customers, as well as increasing brand awareness through marketing and brand promotion activities. We emphasize creating memorable content that resonates with users and targeting specific communities and influencers who can amplify our message.

In particular, the maintenance of our reputation and our brand image depends on the reviews from, and satisfaction of, our end consumers. Any online reviews posted on the e-commerce marketplace where our products are listed, or user perceptions regarding defective or unsatisfactory experience of our products, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract new end consumers or retain our current end consumers.

If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our products, it may be difficult to maintain and grow our customer base, and our business and growth prospects may be materially and adversely affected.

Currency exchange rate fluctuations

Our consolidated financial results are affected by currency exchange rate fluctuations. We mainly conduct our operations in the PRC, Japan, Europe, and North America. All of our products are manufactured in the PRC during the Track Record Period for international sales. Fluctuations in exchange rates between RMB and other currencies in which we conduct business could affect our results of operations and financial condition.

Most of our sales are denominated in various currencies, including Japanese yen, Euros, and US dollars, corresponding to our major markets in Japan, Europe, and North America. We pay our suppliers mainly in RMB. As most of our cost of sales incurred in China are denominated in RMB while a significant portion of our revenue is denominated in foreign currencies, our results of operations are affected by fluctuations of exchange rate of RMB against foreign currencies. A depreciation of foreign currencies against RMB generally has a negative impact on our gross profit while an appreciation of foreign currencies generally has a positive impact on our gross profit.

In addition, our financial information is presented in RMB. We recorded net foreign exchange losses of RMB3,000, RMB1.6 million, RMB6.5 million for the years ended December 31, 2022, 2023 and 2024, respectively. The increase in foreign exchange losses was primarily due to the depreciation of Japanese yen against RMB between 2022 and 2024. For the six months ended June 30, 2025, we recorded net foreign exchange gains of RMB6.1 million, compared to a net foreign exchange loss of RMB10.8 million for the six months ended June 30, 2024, which was primarily driven by the appreciation of the Japanese yen against the RMB during the period. As a result of such foreign currency fluctuations, it could be more difficult to detect underlying trends in our business and results of operations.

The following table demonstrates the sensitivity as of the end of each period during the Track Record Period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of our (loss)/profit before tax (due to changes in the translated value of monetary assets and liabilities) and our equity.

	Increase/ (Decrease) in Foreign Currency Exchange Rates	Increase/ (Decrease) in Profit Before Tax	(Decrease)/ Increase in Equity
	%	*RMB'000*	*RMB'000*
Year ended December 31, 2022			
If RMB weakens against USD	5	1,017	1,017
If RMB strengthens against USD	5	(1,017)	(1,017)
If RMB weakens against JPY	5	2,453	2,453
If RMB strengthens against JPY	5	(2,453)	(2,453)
Year ended December 31, 2023			
If RMB weakens against USD	5	1,189	1,189
If RMB strengthens against USD	5	(1,189)	(1,189)
If RMB weakens against JPY	5	4,903	4,903
If RMB strengthens against JPY	5	(4,903)	(4,903)
Year ended December 31, 2024			
If RMB weakens against USD	5	1,025	1,025
If RMB strengthens against USD	5	(1,025)	(1,025)
If RMB weakens against JPY	5	1,503	1,503
If RMB strengthens against JPY	5	(1,503)	(1,503)
Six months ended June 30, 2025			
If RMB weakens against USD	5	5,345	5,345
If RMB strengthens against USD	5	(5,345)	(5,345)
If RMB weakens against JPY	5	3,735	3,630
If RMB strengthens against JPY	5	(3,735)	(3,830)

BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between our Company and the pre-IPO Investors in relation to the termination of certain of special rights granted by our Company, including redemption rights, which are void ab initio as described in note 28 of the Accountant's Report as set out in Appendix I to this prospectus, having taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplementary agreements, our Directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Track Record Period. For the details of financial impacts, see note 28 of the Accountant's Report.

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 year during the Track Record Period.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

We have identified certain accounting policies that we believe are most significant to the preparation of our consolidated financial statements. Some of our material accounting policy information involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. Our material accounting policy information are set forth in detail in the Accountants' Report included in Appendix I to this prospectus.

The estimates and associated assumptions are based on our historical experience and various other relevant factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our 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 our 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales of Goods

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customers, generally upon acceptance of the goods as agreed in the sales contracts.

Distributors and Retailers. A significant portion of our products is sold to distributors and retailers, who have discretion over both price and distribution methods for products to be sold in their designated geographical areas. Revenue is recognized at a point in time when the goods are delivered and accepted by the distributors and retailers in accordance with the sales contract.

Volume rebates may be provided to distributors and retailers under certain conditions as agreed in the sales contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount is used.

DTC. We sell our products directly to end consumers via e-commence platforms and self-operated website. Revenue is recognised at a point in time when the goods are delivered and accepted by the end consumers. We estimate the time of acceptance by the end consumers based on the actual delivery time, the historical experience on transportation time required, and the time when online payment is completed.

Cloud Storage Services

Customers subscribe for cloud storage services over a service period. Revenue is recognized over the subscribed period on a straight-line basis, because the customer simultaneously receives and consumes the benefits provided by us.

Rights of Return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which we will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Leases

Our 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.

Our Group as a Lessee

Our Group apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Our Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

Right-of-use assets are recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 years

If ownership of the leased asset transfers to our 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.

Lease Liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by our Group and payments of penalties for termination of a lease, if the lease term reflects our Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, our 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.

Short-term Leases and Leases of Low-value Assets

We apply the short-term lease recognition exemption to its short-term leases of office and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). We also apply 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 recognized as an expense on a straight-line basis over the lease term.

Our Group as a Lessor

When we act as a lessor, we classify at lease inception (or when there is a lease modification) each of our leases as either an operating lease or a finance lease.

Leases in which our Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognized in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When our Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which we apply the on-balance sheet recognition exemption, we classify the sublease as an operating lease.

Income Tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized 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 year during the Track Record Period, taking into consideration interpretations and practices prevailing in the countries in which our Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each year during the Track Record Period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized 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, 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 recognized for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized 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 utilized.

The carrying amount of deferred tax assets is reviewed at the end of each year during the Track Record 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 utilized. Unrecognized deferred tax assets are reassessed at the end of each year during the Track Record Period and are recognized 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year during the Track Record Period.

Deferred tax assets and deferred tax liabilities are offset if and only if our 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 realize 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 recognized 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 recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

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 capitalized 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, our Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Furniture and fixtures	19.0% to 33.3%
Electronic equipment and others	19.0% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each year during the Track Record Period.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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 and form an integral part of our Group's cash management.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of each year during Track Record Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Our 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 our Group are initially recognized based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Impairment Testing of Certain Non-financial Assets

In accordance with IAS 36.12, we assess at the end of each reporting period whether there is any indication that non-current assets (other than inventories, contract assets, deferred tax assets, and financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the assets.

For the years ended December 31, 2022, 2023, and 2024, we recorded net losses of RMB87.0 million, RMB16.4 million, and RMB3.1 million, respectively. Our losses were mainly due to the fact that home robotic systems industry is an emerging, technology-intensive sector characterized by significant upfront R&D and market investment, which in turn mandates continuous research and development and market promotion. Our home robotic system products have been launched in the market for a relatively short period of time. Given our 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 to which the asset belongs.

We are primarily engaged in the development, manufacturing, and commercialization of home robotic system products. We are centrally managed and our activities, including research and development, procurement, manufacture and production, and sales are all governed and managed in our main subsidiary Woan Technology, and our Company only has one operating segment. The non-current assets other than financial assets mainly include 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 our Group, which is defined as the cash-generating unit (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 us. 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 the six months ended June 30, 2025, we recorded net profit of RMB27.9 million, marking a successful transition from a loss-making position to profitability. This outcome demonstrates that the profitability of our core assets has been significantly improved. Compared with the profit forecast utilized during the 2024 impairment testing, the actual operating performance has exceeded expectations, with no negative deviations observed. Furthermore, based on the best knowledge, information and belief of the Directors, there have been no significant adverse changes in the market, economic, or technological environments, nor in market interest rates affecting the industry in 2025. Given the absence of any indicators of potential asset impairment as of June 30, 2025, and considering that the 2024 year-end impairment test confirmed the asset carrying values were below their recoverable amounts, we are not required to perform additional impairment tests on these assets as of June 30, 2025.

RESULTS OF OPERATIONS

The table below presents a summary of our consolidated statement of profit or loss and other comprehensive income for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue	**274,597**	**457,264**	**609,924**	**275,021**	**396,294**
Cost of sales	(180,458)	(226,726)	(294,327)	(136,183)	(181,541)
Gross profit	**94,139**	**230,538**	**315,597**	**138,838**	**214,753**
Other income and gains	6,787	8,342	9,111	4,578	10,364
Selling and distribution expenses	(102,104)	(136,698)	(171,894)	(70,969)	(106,829)
Administrative expenses	(21,006)	(24,139)	(32,372)	(15,936)	(30,864)
Research and development expenses	(61,761)	(89,192)	(112,022)	(56,737)	(58,679)
Impairment losses on financial assets, net	(136)	(798)	151	(120)	(490)
Other expenses	(431)	(2,100)	(6,836)	(10,886)	(1,964)
Finance costs	(2,422)	(2,240)	(4,409)	(1,738)	(2,165)
(Loss)/profit before tax	**(86,934)**	**(16,287)**	**(2,674)**	**(12,970)**	**24,126**
Income tax (expense)/credit	(49)	(89)	(400)	(671)	3,777
(Loss)/profit for the year/period	**(86,983)**	**(16,376)**	**(3,074)**	**(13,641)**	**27,903**
Attributable to:					
Owners of the parent	(86,983)	(16,376)	(3,074)	(13,641)	27,903

For details on the accounting treatment of redemption rights, see "— Share Capital and Total Equity" in this section and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Non-IFRS Measures

In order to supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use Adjusted Net Loss/(Profit) (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) as additional financial measures. We present these financial measures because they are used by our management to evaluate our financial performance by eliminating the impact of certain items. We also believe that these non-IFRS measures provide additional information to investors and others in their understanding and evaluating our results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider this in isolation from, or as a substitute for analysis of, our results of operations as report under IFRS.

We define adjusted net (loss)/profit (a non-IFRS measure) as (loss)/profit for the year/period adjusted for equity-settled share-based payment expenses. We define adjusted EBITDA (a non-IFRS measure) as EBITDA adjusted for equity-settled share-based payment expenses. Equity-settled share-based payment expenses are non-cash in nature. The following table sets for the reconciliation of adjust net (loss)/profit for the year/period (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for the years/periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Loss)/profit for the year	(86,983)	(16,376)	(3,074)	(13,641)	27,903
Add:					
Equity-settled share-based payment expenses[1]	3,378	4,181	4,181	2,091	5,041
Listing expense	—	—	—	—	11,261
Adjusted net (loss)/profit for the year (a non-IFRS measure)	(83,605)	(12,195)	1,107	(11,550)	44,205
Add:					
Interest on bank loans	—	—	1,275	104	803
Interest on factored trade receivables	666	749	698	325	398
Interest on lease liabilities	1,756	1,491	2,436	1,309	964
Income tax expense/(credit)	49	89	400	671	(3,777)
Depreciation of property, plant and equipment	3,005	5,113	9,589	4,229	5,567
Depreciation of right-of-use assets	10,430	11,451	10,988	5,124	4,594
Amortization of intangible assets	222	676	1,646	822	1,940
Less:					
Interest income	1,647	1,560	2,058	864	550
Adjusted EBITDA (a non-IFRS measure)	(69,124)	5,814	26,081	170	54,144

Note:

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

For the years ended December 31, 2022, 2023, 2024, we recorded net loss of RMB87.0 million, RMB16.4 million, RMB3.1 million, respectively. For the six months ended June 30, 2024 and 2025, we recorded net loss of RMB13.6 million and net profit of RMB27.9 million, respectively. Our net losses during the Track Record Period were primarily due to the expenditures in relation to (i) our R&D expenses incurred to enhance our core technologies and product and services offerings to maintain our established position in home robotic system industry; (ii) our selling and distribution expenses incurred to enhance our brand reputation and expand our customer and end-user base; and (iii) our administrative expenses. We recorded a net loss of RMB13.6 million for the six months ended June 30, 2024, compared to a net profit of RMB27.9 million for the six months ended June 30, 2025. The turnaround to profitability was primarily attributable to significant revenue growth as we expand our business operation and improved gross profit margin, resulting from higher margins of our core products, a favorable shift in our product mix toward higher-margin products, and the continued implementation of cost optimization measures. The improvement of our loss for the years ended December 31, 2022, 2023 and 2024 and our net profit for the six months ended June 30, 2025 were primarily attributable to a combination of the following factors:

(i) the increase of the market penetration of our products, as evidenced by the significant growth in our revenue, which recorded a CAGR of 49.0% from RMB274.6 million in 2022 to RMB609.9 million in 2024. Likewise, our revenue increased significantly from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025;

(ii) the continuous improvement in the sales of established core home system product categories, the continuous optimization of our product mix and the successful launch of new, higher-margin products, which collectively resulted in an increase in our overall gross profit margin from 34.3% in 2022 to 50.4% in 2023 and 51.7% in 2024, and from 50.5% for the six months ended June 30, 2024 to 54.2% for the six months ended June 30, 2025;

(iii) our highly effective and efficient marketing activities, which leveraged our established brand influence and mature marketing models. This resulted in improved operating leverage as our revenue grew at a faster pace than our related expenses. As a result, our selling and distribution expenses as a percentage of revenue decreased from 37.2% in 2022 to 29.9% in 2023 and 28.2% in 2024, and was 25.8% and 27.0% for the six months ended June 30, 2024 and 2025, respectively, while our revenue continued to increase during the same period;

(iv) our disciplined and strategic investment in research and development, which we believe is crucial for maintaining our technological leadership and long-term growth. Our research and development expenses as a percentage of revenue were 22.5%, 19.5% and 18.4% for the years ended December 31, 2022, 2023 and 2024, respectively, and 20.6% and 14.8% for the six months ended June 30, 2024 and 2025, respectively, reflecting our prudent approach in selecting projects with strong commercialization potential and our ability to successfully translate technological advancements into revenue growth in a cost-efficient manner;

(v) the optimization of our sales channels with a strategic focus on our higher-margin DTC channels. The revenue generated from our DTC channels as a percentage of our total revenue increased from 36.9% in 2022 to 46.2% in 2023 and further to

49.8% in 2024. Likewise, the revenue generated from our DTC channels as a percentage of our total revenue increased from 43.7% for the six months ended June 30, 2024 to 44.8% for the six months ended June 30, 2025. These DTC channels carried higher gross profit margins compared to our overall gross profit margin of the same periods, thereby contributing to the improvement in our overall gross profit and gross profit margin; and

(vi) the strategic market expansion across key regions, particularly evidenced by our rapid growth in Europe, where our revenue grew at a CAGR of 68.1% from RMB46.2 million in 2022 to RMB130.5 million in 2024, and increased from RMB47.8 million for the six months ended June 30, 2024 to RMB68.1 million for the six months ended June 30, 2025.

DESCRIPTION OF MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Revenue by Product

During the Track Record Period, we generated revenue primarily from (i) the sale of home robotic system products, which include execution-enhanced robots and perception and decision-making systems; and (ii) other smart home products and services. For the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2024 and 2025, our revenue was RMB274.6 million, RMB457.3 million, and RMB609.9 million, RMB275.0 million and RMB396.3 million, respectively. The following table sets forth a breakdown of our revenue by product type for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Home Robotic System Products	**229,146**	**83.4**	**416,334**	**91.0**	**546,960**	**89.7**	**251,225**	**91.4**	**348,845**	**88.0**
— Execution-enhanced robots	139,896	50.9	255,091	55.7	347,869	57.1	175,239	63.8	237,735	60.0
— Dexterous hand-mimic robots	139,896	50.9	198,345	43.3	237,579	39.0	117,071	42.6	173,623	43.8
— Enhanced mobile robots	—	—	56,746	12.4	110,290	18.1	58,168	21.2	64,112	16.2
— Perception and decision-making systems	89,250	32.5	161,243	35.3	199,091	32.6	75,986	27.6	111,110	28.0
Other smart home products and services[1]	**45,451**	**16.6**	**40,930**	**9.0**	**62,964**	**10.3**	**23,796**	**8.6**	**47,449**	**12.0**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Note:

(1) Other smart home products and services primarily include the revenue generated from the sales of smart light tools, smart power tools and smart home appliances and other products and services.

Revenue by Geographic Location

During the Track Record Period, our products were sold in more than 90 countries and regions globally with Japan, Europe and North America as our key markets. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, Japan was our largest market, contributing to 61.4%, 62.3%, 57.7%, 60.9% and 67.7% of our total revenue, respectively. The following table sets forth a breakdown of our revenue by geographic location for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Japan	**168,381**	**61.4**	**285,057**	**62.3**	**352,408**	**57.7**	**167,390**	**60.9**	**268,354**	**67.7**
Europe	**46,193**	**16.8**	**68,737**	**15.0**	**130,465**	**21.4**	**47,769**	**17.4**	**68,055**	**17.2**
Germany	12,443	4.5	19,685	4.3	51,450	8.4	16,364	6.0	31,161	7.9
The United Kingdom	10,592	3.9	16,341	3.6	20,048	3.3	8,760	3.2	9,844	2.5
Other European countries	23,158	8.4	32,711	7.1	58,967	9.7	22,645	8.2	27,050	6.8
North America	**47,614**	**17.3**	**83,482**	**18.3**	**96,735**	**15.9**	**42,394**	**15.4**	**46,176**	**11.7**
The United States	45,101	16.4	78,451	17.2	86,878	14.3	38,687	14.1	40,860	10.3
Other North American countries	2,513	0.9	5,031	1.1	9,857	1.6	3,707	1.3	5,316	1.4
Rest of the world(1)	**12,409**	**4.5**	**19,988**	**4.4**	**30,316**	**5.0**	**17,468**	**6.3**	**13,709**	**3.4**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Note:

(1) Rest of the world include over 40 countries and regions, such as Australia, South Korea and Singapore, each contributed relatively insignificant revenue to us during the Track Record Period.

TRANSFER PRICING ARRANGEMENTS

We have established wholly-owned subsidiaries in Japan, the United States and Hong Kong to facilitate our international sales. Our wholly-owned subsidiary in Singapore, SWITCHBOT PTE. LTD., had not commenced business operations as of the Latest Practicable Date. During the Track Record Period, Woan Technology, our primary operational entity, sold finished goods to these overseas subsidiaries in Japan, the United States and Hong Kong, which subsequently distributed products to customers through DTC, retail, and distribution channels.

The functional roles of the key operating entities within our Group's value chain are outlined as follows:

- *Woan Technology:* it serves as the principal R&D and operational entity for our Group, undertaking key functions such as strategic management, research and development, procurement, production, and marketing. It bears the corresponding significant risks, including R&D risk, market risk, and inventory risk, and is entitled to our Group's residual profits or losses.

- *SwitchBot JP, SwitchBot US, Wonderlabs US, Wonderlabs HK and Woan HK (the "International Sales Entities"):* They serve as sales entities within our Group and are tasked with routine international distribution and sales functions. They perform limited functions and bear limited risks, such as limited credit and currency risks, positioning them as limited-risk distributors.

- *Our Company:* It serves as an investment holding company.

Transfer Pricing Assessment

Our intra-group transactions are subject to transfer pricing laws in various jurisdictions, which generally require that transactions between related parties be conducted on terms equivalent to those that would prevail in an arm's length transaction between independent parties. To ensure our compliance with the relevant regulations, including the transfer pricing guidelines issued by the Organisation for Economic Co-operation and Development (OECD), we engaged Ernst & Young Tax Services Limited as our independent transfer pricing consultant, or the Independent Transfer Pricing Consultant, to review our related-party transactions during the Track Record Period.

According to our Independent Transfer Pricing Consultant, the Transactional Net Margin Method is the most appropriate method to test the arm's length nature of our intra-group transactions. Under this method, we compare the operating profit margin of our International Sales Entities, as the tested parties, against the operating profit margins of independent third-party companies engaged in comparable businesses to determine an arm's length range.

Our Independent Transfer Pricing Consultant advised us that for 2022, our Group was in an early market expansion phase and adopted a high-investment strategy to gain market share, a common business practice that often results in initial operating losses in the technology-intensive smart robot industry. Crucially, our Group as a whole also recorded a net loss in 2022, demonstrating that the losses at our International Sales Entities were a direct result of this group-wide strategy rather than our transfer pricing arrangements. As the losses were consistent with our overall business strategy and our subsequent return to profitability, our Independent Transfer Pricing Consultant has concluded that the risk of our transfer pricing arrangements for 2022 being challenged by tax authorities is low.

For the years ended December 31, 2023 and 2024, and the six months ended June 30, 2025, our Independent Transfer Pricing Consultant performed benchmarking analyses for each period. Based on these analyses, the operating profit margins of our International Sales Entities were confirmed to be within the arm's length range established by reference to the profit levels of comparable independent companies in the same jurisdictions, which supports the position that their profitability is commensurate with their limited-risk functions.

The table below summarizes the benchmarking analysis, comparing the actual operating profit margins of our International Sales Entities against the arm's length interquartile range of comparable companies for each period during the Track Record Period:

Period	Entity	Comparable Arm's Length Range (Operating Profit Margin)	Actual Operating Profit Margin	Conclusion
2023	Woan HK	–0.71% to 3.63%	0.35%	Within Range
	Wonderlabs HK	–0.71% to 3.63%	0.50%	Within Range
	SwitchBot JP	1.05% to 5.17%	2.02%	Within Range
	SwitchBot US/ Wonderlabs US[1]	–0.08% to 4.71%	0.87% (Combined)	Within Range
2024	Woan HK	0.13% to 3.86%	1.36%	Within Range
	Wonderlabs HK	0.13% to 3.86%	0.27%	Within Range
	SwitchBot JP	1.95% to 5.38%	2.49%	Within Range
	SwitchBot US	0.60% to 4.44%	0.93%	Within Range
2025 H1. .	Woan HK	0.29% to 5.33%	4.88%	Within Range
	Wonderlabs HK	0.29% to 5.33%	1.48%	Within Range
	SwitchBot JP	2.31% to 6.01%	4.95%	Within Range
	SwitchBot US	1.03% to 4.10%	3.27%	Within Range

Note:

(1) The business of Wonderlabs US was integrated into SwitchBot US starting from 2023, contributing to the high degree of operational synergy and integration between SwitchBot US and Wonderlabs US. Consequently, our Independent Transfer Pricing Consultant conducted a combined analysis for these entities. The aggregated operating profit margin of our US entities remained within the arm's length range. Wonderlabs US has subsequently ceased active operations since 2024, and is therefore not included in subsequent analyses.

Based on the analyses above, our Independent Transfer Pricing Consultant is of the opinion that the profit levels of our International Sales Entities are consistent with their limited-risk functional profiles and that our Group's transfer pricing arrangements for the Track Record Period comply with the arm's length principle. Accordingly, our Independent Transfer Pricing Consultant has concluded that our Group's transfer pricing risk during the Track Record Period is low.

As of the Latest Practicable Date, to the best of our Directors' knowledge and belief, none of our International Sales Entities has received any enquiries or written notices from relevant tax authorities questioning our transfer pricing policies. In light of the analyses performed by our Independent Transfer Pricing Consultant and the absence of any challenges from the relevant tax authorities, our Directors believe that our Group's exposure to transfer pricing risk during the Track Record Period is low.

Revenue by Sales Channel

We have established an omni-channel sales and distribution network that is tailored to the respective markets in which our products are sold. Our sales and distribution network generally consists of DTC channels, retailer channels and distribution channels. Under the DTC channels, we sell products directly to end consumers either via a number of major e-commerce platforms, including Amazon SC, among others, or our self-operated website. Under the retailer channels, we primarily sell our products to national retailers, such as Amazon VC, and specialty retailers, which purchase products directly from us and sell them to end consumers. Under our distribution channel, we mainly sell our products to distributors, which purchase products from us and primarily distribute them to retailers and/or sub-distributors.

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
DTC Channels	**101,182**	**36.9**	**210,965**	**46.2**	**303,732**	**49.8**	**120,391**	**43.7**	**177,469**	**44.8**
— Amazon SC	79,817	29.1	120,043	26.3	173,020	28.4	62,732	22.8	90,386	22.8
— Self-operated website	20,460	7.5	60,793	13.3	88,688	14.5	35,836	13.0	60,588	15.3
— Other online marketplaces	905	0.3	30,129	6.6	42,024	6.9	21,823	7.9	26,495	6.7
Retailer Channels	**172,115**	**62.6**	**204,783**	**44.7**	**244,824**	**40.1**	**125,628**	**45.7**	**183,008**	**46.2**
— Amazon VC	145,080	52.8	178,186	38.9	218,634	35.8	112,447	40.9	175,233	44.2
— Other retailers	27,035	9.8	26,597	5.8	26,190	4.3	13,181	4.8	7,775	2.0
Distribution Channels	**1,300**	**0.5**	**41,516**	**9.1**	**61,368**	**10.1**	**29,002**	**10.6**	**35,817**	**9.0**
Total	**274,597**	**100.0**	**457,264**	**100.0**	**609,924**	**100.0**	**275,021**	**100.0**	**396,294**	**100.0**

Cost of Sales

Our cost of sales primarily consists of (i) raw materials, which mainly include components and parts used in manufacturing our products; (ii) transportation and storage costs, which primarily represent the costs for transporting and warehousing of our products; (iii) labor costs, which primarily consist of the salaries and benefits for personnel directly involved in our production activities; (iv) outsourcing costs, which consist of expenses incurred for manufacturing work subcontracted to third parties; (v) manufacturing expenses, which primarily represents factory rentals, utilities, depreciation of production equipment, and other indirect production costs; and (vi) provision for inventory impairment. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our cost of sales was RMB180.5 million, RMB226.7 million, RMB294.3 million, RMB136.2 million and RMB181.5 million, respectively.

The table below sets forth, for the periods indicated, the components of our cost of sales and the components as a percentage of total cost of sales.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Raw materials	107,875	59.9	132,230	58.2	173,632	59.1	89,714	65.9	102,885	56.7
Labor costs	15,569	8.6	17,110	7.5	25,963	8.8	8,749	6.4	17,627	9.7
Manufacturing expenses	5,494	3.0	7,369	3.3	14,488	4.9	5,110	3.8	7,445	4.1
Outsourcing costs	10,997	6.1	25,535	11.3	19,265	6.5	7,093	5.2	20,306	11.2
Transportation and storage costs	33,468	18.5	36,874	16.3	55,340	18.8	19,804	14.5	27,580	15.2
Provision for inventory impairment	7,055	3.9	7,608	3.4	5,639	1.9	5,713	4.2	5,698	3.1
Total	**180,458**	**100.0**	**226,726**	**100.0**	**294,327**	**100.0**	**136,183**	**100.0**	**181,541**	**100.0**

Sensitivity Analysis

We set forth below a sensitivity analysis on the effects of (i) the fluctuations in the sales of our products; and (ii) the fluctuations in the costs of raw materials. The following sensitivity analysis is for illustrative purposes only, which indicates the potential impact on our profitability during the Track Record Period if the relevant variables increased or decreased to the extent illustrated.

To illustrate the potential effect on our financial performance, the sensitivity analysis below illustrates the potential impact on our profit for the year with a 5% and 10% increase or decrease in the respective items mentioned above. While none of the hypothetical fluctuation ratios applied in the sensitivity analysis equals the historical fluctuations, we believe that the application of hypothetical fluctuations of 5% and 10% in the items mentioned above presents a meaningful analysis of the potential impact of these changes to our profitability. Due to the number of assumptions applied and involved in the calculation, the sensitivity analysis below is for illustration purpose only, and the actual results may differ from the illustrations below.

Hypothetical Fluctuation in the Sales of Our Products

Change in profit before taxation for the	**+/–5%**	**+/–10%**
	RMB'000	*RMB'000*
Year ended December 31, 2022	13,730	27,460
Year ended December 31, 2023	22,863	45,726
Year ended December 31, 2024	30,496	60,992
Six months ended June 30, 2025	19,815	39,629

Hypothetical Fluctuation in Procurement Costs of Raw Materials

Change in profit before taxation for the	**+/–5%**	**+/–10%**
Year ended December 31, 2022	7,842	15,684
Year ended December 31, 2023	8,749	17,498
Year ended December 31, 2024	15,460	30,920
Six months ended June 30, 2025	9,007	18,014

Gross Profit and Gross Profit Margin

Our gross profit was RMB94.1 million, RMB230.5 million, RMB315.6 million, RMB138.8 million and RMB214.8 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. Our gross profit margin was 34.3%, 50.4%, 51.7%, 50.5% and 54.2%, respectively, for the same periods, respectively.

Gross Profit and Gross Profit Margin by Product

The table below sets forth our gross profit and gross margin by product type for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Home Robotic System Products	**85,505**	**37.3**	**218,943**	**52.6**	**292,589**	**53.5**	**128,710**	**51.2**	**192,620**	**55.2**
— Execution-enhanced robots	57,800	41.3	127,545	50.0	175,227	50.4	86,274	49.2	125,499	52.8
— Dexterous hand-mimic robots	57,800	41.3	109,567	55.2	135,491	57.0	66,840	57.1	104,204	60.0
— Enhanced mobile robots	—	—	17,978	31.7	39,736	36.0	19,434	33.4	21,295	33.2
— Perception and decision-making systems	27,705	31.0	91,398	56.7	117,362	58.9	42,436	55.8	67,121	60.4
Other smart home products and services	**8,634**	**19.0**	**11,595**	**28.3**	**23,008**	**36.5**	**10,128**	**42.6**	**22,133**	**46.6**
Total	**94,139**	**34.3**	**230,538**	**50.4**	**315,597**	**51.7**	**138,838**	**50.5**	**214,753**	**54.2**

Gross Profit and Gross Profit Margin by Sales Channel

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channels for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
DTC channels	**61,082**	**60.4**	**139,571**	**66.2**	**197,640**	**65.1**	**80,029**	**66.5**	**114,141**	**64.3**
— Amazon SC	48,185	60.4	84,687	70.5	119,168	68.9	44,379	70.7	60,286	66.7
— Self-operated website	12,339	60.3	38,702	63.7	53,866	60.7	22,937	64.0	37,307	61.6
— Other online marketplaces	558	61.7	16,182	53.7	24,606	58.6	12,713	58.3	16,548	62.5
Retailer channels	**32,643**	**19.0**	**76,390**	**37.3**	**98,309**	**40.2**	**50,535**	**40.2**	**87,403**	**47.8**
— Amazon VC	24,910	17.2	69,786	39.2	88,429	40.4	45,924	40.8	84,385	48.2
— Other retailers	7,733	28.6	6,604	24.8	9,880	37.7	4,611	35.0	3,018	38.8
Distribution channels	**414**	**31.8**	**14,577**	**35.1**	**19,648**	**32.0**	**8,274**	**28.5**	**13,209**	**36.9**
Total	**94,139**	**34.3**	**230,538**	**50.4**	**315,597**	**51.7**	**138,838**	**50.5**	**214,753**	**54.2**

Other Income and Gains

For the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our recorded other income and gains amounted to RMB6.8 million, RMB8.3 million, RMB9.1 million RMB4.6 million and RMB10.4 million, respectively.

Our other income primarily consists of (i) government grants, which are provided by local government authorities in connection with our research and development efforts, business achievements, and to support our operations as a specialized and innovative enterprise; (ii) interest income, which primarily represents interest earned on our bank deposits; and (iii) investment income from financial assets at fair value through profit or loss, which mainly includes returns from structured deposits.

Our other gains primarily represent (i) fair value gains on financial assets at fair value through profit or loss, which mainly came from structured deposits and financial derivatives; (ii) gains on disposal of right-of-use assets, which resulted from the early termination of certain lease agreements as we relocated our operations to better accommodate our business expansion; and (iii) gain on sublease of right-of-use assets, which mainly resulted from the subleasing of certain unused portions of our leased premises to optimize the use of our assets.

The following table sets forth the breakdown of our other income and gains for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Other income					
Interest income	1,647	1,560	2,058	864	550
Finance income on the net investment in the sublease	12	21	154	75	70
Government grants[1]	4,955	4,692	4,233	3,072	3,261
Investment income from financial assets at fair value through profit or loss	—	21	1,679	—	344
Others	165	494	304	182	81
Gains					
Fair value gains on financial assets at fair value through profit or loss	8	—	391	104	—
Gain on sublease of right-of-use assets	—	1,554	—	—	—
Gain on disposal of right-of-use assets	—	—	292	281	—
Gain on exchange differences, net	—	—	—	—	6,058
Total	**6,787**	**8,342**	**9,111**	**4,578**	**10,364**

Note:

(1) We have received government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to us with no future related costs are recognized in profit or loss in the period in which they become receivable.

Selling and Distribution Expenses

Selling and distribution expenses mainly consists of (i) platform commission fees, which mainly represents fees paid to e-commerce platforms such as Amazon for product sales; (ii) employee benefit expenses, which mainly represents salaries and bonuses for our sales and marketing personnel; (iii) advertising, promotion and business development, which primarily includes online advertising on e-commerce platforms and social media, content creation costs and photography expenses; (iv) depreciation and amortization; and (v) after-sales expenses, which primarily consist of warranty service costs and customer support. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our selling and distribution expenses were RMB102.1 million, RMB136.7 million, RMB171.9 million, RMB71.0 million and RMB106.8 million, respectively.

The following table sets forth the components of our selling and distribution expenses during the Track Record Period:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Platform commission fee	13,803	13.5	23,281	17.0	31,486	18.3	11,895	16.8	15,952	14.9
Employee benefit expenses	22,912	22.5	32,135	23.5	30,955	18.0	13,825	19.5	19,221	18.0
Advertising, promotion and business development	54,339	53.2	59,721	43.7	82,230	47.8	34,885	49.1	53,116	49.7
Depreciation and amortization	2,539	2.5	3,542	2.6	3,266	1.9	1,428	2.0	1,201	1.1
After-sale services	5,121	5.0	13,646	10.0	17,100	10.0	6,035	8.5	12,833	12.1
Others[(1)]	3,390	3.3	4,373	3.2	6,857	4.0	2,901	4.1	4,506	4.2
Total	**102,104**	**100.0**	**136,698**	**100.0**	**171,894**	**100.0**	**70,969**	**100.0**	**106,829**	**100.0**

Note:

(1) Others primarily include payment collection handling fees, office expenses, property and renovation expenses and agent service fee.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses mainly related to the salaries and bonus for our administrative personnel; (ii) professional service fees, which primarily represent fees for legal, audit, and consulting services; (iii) tax charges, which primarily represent stamp duty, property tax and other applicable taxes; (iv) depreciation and amortization of administrative assets; and (v) utilities, office and property management expenses, which primarily consist of office supplies, telecommunications, and property management fees. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our administrative expenses were RMB21.0 million, RMB24.1 million, RMB32.4 million, RMB15.9 million and RMB30.9 million, respectively.

The following table sets forth the components of our administrative expenses during the Track Record Period:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee benefit expenses	12,482	59.4	15,815	65.5	20,863	64.5	10,221	64.0	12,432	40.3
Professional service fees	3,765	17.9	1,938	8.0	2,504	7.7	1,492	9.4	14,252	46.2
Tax charges	436	2.1	993	4.1	2,668	8.2	1,237	7.8	848	2.7
Bank administrative charges	232	1.1	356	1.5	565	1.7	329	2.1	177	0.6
Depreciation and amortization	1,152	5.5	1,708	7.1	2,262	7.0	1,118	7.0	971	3.1
Utilities, office and property management expenses	2,170	10.3	2,126	8.8	2,292	7.1	1,036	6.5	1,777	5.8
Others[1]	769	3.7	1,203	5.0	1,218	3.8	503	3.2	407	1.3
Total	**21,006**	**100.0**	**24,139**	**100.0**	**32,372**	**100.0**	**15,936**	**100.0**	**30,864**	**100.0**

Note:

(1) Others primarily include miscellaneous expenses such as travel expenses, business entertainment expenses, insurance expenses and others.

Research and Development Expenses

Our research and development costs primarily consist of (i) employee benefit expenses mainly related to the salaries and benefits of our research and development personnel; (ii) service fees, which primarily represents cloud service platform costs, certification testing fees for product safety and performance, and technical consulting services; (iii) materials and consumables for our R&D activities, particularly for new product development and ecosystem expansion; and (iv) depreciation and amortization fees mainly related to the depreciation cost in connection with our R&D activities.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses were RMB61.8 million, RMB89.2 million, RMB112.0 million, RMB56.7 million and RMB58.7 million, respectively. The following table sets forth a breakdown of our research and development costs for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee benefit expenses	41,933	67.9	61,878	69.4	74,596	66.6	37,239	65.7	41,062	69.9
Service fees	10,256	16.6	16,276	18.2	25,552	22.8	13,498	23.8	9,660	16.5
Material and consumables	4,017	6.5	4,477	5.0	5,024	4.5	2,407	4.2	3,741	6.4
Depreciation and amortization	3,546	5.7	3,751	4.2	3,738	3.3	1,930	3.4	1,775	3.0
Others[(1)]	2,009	3.3	2,810	3.2	3,112	2.8	1,663	2.9	2,441	4.2
Total	**61,761**	**100.0**	**89,192**	**100.0**	**112,022**	**100.0**	**56,737**	**100.0**	**58,679**	**100.0**

Note:

(1) Others primarily include travel expenses, utilities, and office expenses directly associated with research and development activities.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets primarily represent provisions for expected credit losses on trade receivables and other receivables. For the years ended December 31, 2022 and 2023 and the six months ended June 30, 2024 and 2025, our net impairment losses on financial assets were RMB0.1 million, RMB0.8 million, RMB0.1 million and RMB0.5 million, respectively. For the year ended December 31, 2024, we recorded reversal on net impairment losses on financial assets of RMB0.2 million.

Other Expenses

Our other expenses primarily consisted of (i) foreign exchange loss, which incurred primarily due to the weakening of Japanese yen against the RMB during the Track Record Period; (ii) non-operating expenses, which mainly represent expenses incurred from the relocation of facilities and the early termination of lease agreements; (iii) investment losses, which primarily arose from losses on our foreign exchange forward contracts due to exchange rate fluctuations; and (iv) losses on financial assets at fair value through profit or loss, which mainly represents unrealized fair value change of our foreign exchange forward contracts. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our other expenses were RMB0.4 million, RMB2.1 million, RMB6.8 million, RMB10.9 million and RMB2.0 million, respectively. The following table sets forth a breakdown of our other expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Foreign exchange loss	3	0.7	1,619	77.1	6,494	95.0	10,766	98.9	—	—
Non-operating expenses	245	56.8	28	1.3	342	5.0	23	0.2	—	—
Investment losses	54	12.6	453	21.6	—	—	97	0.9	1,153	58.7
Losses on financial assets at fair value through profit or loss	129	29.9	—	—	—	—	—	—	811	41.3
Total	**431**	**100.0**	**2,100**	**100.0**	**6,836**	**100.0**	**10,886**	**100.0**	**1,964**	**100.0**

Finance Costs

Finance costs mainly consist of (i) interest on lease liabilities arising from the leases of our offices, warehouses and manufacturing facilities; (ii) interest expense on borrowings from banks; and (iii) interest on factored trade receivables, which primarily represent the financing costs arising from factoring arrangements, including interest expenses and associated service fees. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our finance costs were RMB2.4 million, RMB2.2 million, RMB4.4 million, RMB1.7 million and RMB2.2 million, respectively. The following table sets forth the breakdown of our finance costs for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (Unaudited)	*%*	*RMB'000*	*%*
Interest on lease liabilities	1,756	72.5	1,491	66.6	2,436	55.3	1,309	75.3	964	44.5
Interest on bank loans	—	—	—	—	1,275	28.9	104	6.0	803	37.1
Interest on factored trade receivables	666	27.5	749	33.4	698	15.8	325	18.7	398	18.4
Total	**2,422**	**100.0**	**2,240**	**100.0**	**4,409**	**100.0**	**1,738**	**100.0**	**2,165**	**100.0**

Income Tax (Expense)/Credit

Income tax (expense)/credit represents current and deferred income tax expenses. Our income tax (expense)/credit comprises (i) current tax, which comprises the estimated tax payable or receivable on the taxable income or loss for the year/period; and (ii) deferred tax, which is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is recognized in profit or loss. We are subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which we are domiciled and operate. The determination of current and deferred income taxes was based on the enacted tax rates in respective tax jurisdictions.

Certain of our subsidiaries located in mainland China were subject to mainland China corporate income tax at a rate of 25% on the assessable profit generated during the Track Record Period. Our subsidiary, Woan Technology is a qualified high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during each year during the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Our subsidiary incorporated in Hong Kong is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of its assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% during each year during the Track Record Period. Our subsidiary incorporated in Japan is subject to corporate income taxes, which in aggregate resulted in a combined statutory income tax rates of approximately 23.2% during each year during the Track Record Period. Our subsidiary incorporated in the United States is subject to statutory United States federal corporate income tax at a rate of 21% during each year during the Track Record Period.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024, we recorded income tax expense of RMB49,000, RMB0.1 million, RMB0.4 million and RMB0.7 million, respectively. For the six months ended June 30, 2025, we recorded an income tax credit of RMB3.8 million. The following table sets forth a breakdown of our income tax charge for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Current income tax	49	89	400	671	2,318
Deferred income tax	—	—	—	—	(6,095)
Total tax charge for the year	**49**	**89**	**400**	**671**	**(3,777)**

During the Track Record Period and up to the Latest Practicable Date, we had no disputes or unresolved tax issues with the relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 44.1% from RMB275.0 million for the six months ended June 30, 2024 to RMB396.3 million for the six months ended June 30, 2025. This growth was primarily attributable to:

(i) the market penetration of our new products and continuous improvement in the sales of our core product categories. Specifically, revenue from our dexterous hand-mimic robots increased by 48.3% from RMB117.1 million for the six months ended June 30, 2024 to RMB173.6 million for the six months ended June 30, 2025, mainly driven by the market acceptance of newly launched products such as the SwitchBot Lock Ultra. Our perception and decision-making systems experienced a revenue increase of 46.2% from RMB76.0 million for the six months ended June 30, 2024 to RMB111.1 million for the six months ended June 30, 2025, primarily due to the continued strong sales of new products, such as the Meter Pro (CO2);

(ii) growth in other smart home products and services, the revenue of which increased by 99.4% from RMB23.8 million for the six months ended June 30, 2024 to RMB47.4 million for the six months ended June 30, 2025, driven by the rapid sales expansion of products such as our battery circulator fan and floor lamp, and an increase in recurring revenue from cloud storage services as user adoption and paid subscription rates grew;

(iii) strategic market expansion across key regions. Revenue from Japan, our largest market, grew by 60.3% from RMB167.4 million for the six months ended June 30, 2024 to RMB268.4 million for the six months ended June 30, 2025, benefiting from strong brand recognition and robust growth across local sales channels. European markets demonstrated growth of 42.5% from RMB47.8 million for the six months ended June 30, 2024 to RMB68.1 million for the six months ended June 30, 2025, driven by market adoption of our integrated smart home ecosystem, with particularly strong growth of 90.4% in Germany from RMB16.4 million for the six months ended June 30, 2024 to RMB31.2 million for the six months ended June 30, 2025; and

(iv) the continued growth and optimization of our sales channels. Revenue from our direct sales channels increased by 47.4% from RMB120.4 million for the six months ended June 30, 2024 to RMB177.5 million for the six months ended June 30, 2025, primarily driven by a 69.1% increase in the sales from our self-operated website from RMB35.8 million for the six months ended June 30, 2024 to RMB60.6 million for the six months ended June 30, 2025. Revenue from our retailer channels increased by 45.7% from RMB125.6 million for the six months ended June 30, 2024 to RMB183.0 million for the six months ended June 30, 2025, primarily due to a 55.8% growth in our Amazon Vendor Central program from

RMB112.4 million to RMB175.2 million. Revenue from our distribution channels grew by 23.5% from RMB29.0 million for the six months ended June 30, 2024 to RMB35.8 million for the six months ended June 30, 2025, mainly due to a 37.5% increase in sales through our key distributor in Japan, which increased from RMB18.3 million for the six months ended June 30, 2024 to RMB25.2 million for the six months ended June 30, 2025.

Cost of Sales

Our cost of sales increased by 33.3% from RMB136.2 million for the six months ended June 30, 2024 to RMB181.5 million for the six months ended June 30, 2025, which was generally in line with our revenue growth during the same period. This increase was primarily attributable to (i) an increase in our outsourcing costs from RMB7.1 million to RMB20.3 million as we outsourced more production activities to subcontractors to supplement our production capacity in order to meet fast-growing customer demand and to facilitate the initial market validation for our newly launched products in a cost-effective manner; (ii) an increase in our raw materials and transportation costs in line with our higher sales volume; and (iii) an increase in labor costs due to a higher headcount for our production personnel since the second half of 2024 to support our business expansion.

Gross Profit and Gross Profit Margin

Our gross profit increased by 54.7% from RMB138.8 million for the six months ended June 30, 2024 to RMB214.8 million for the six months ended June 30, 2025, which was generally in line with our revenue growth during the same period.

Our gross profit margin increased from 50.5% for the six months ended June 30, 2024 to 54.2% for the six months ended June 30, 2025. This improvement was primarily attributable to (i) an improvement in the gross profit margins of our core products, as the gross profit margin for our major home robotic system products increased from 51.2% for the six months ended June 30, 2024 to 55.2% for the six months ended June 30, 2025. This increase was primarily driven by gross margin improvements for (a) our dexterous hand-mimic robots, which increased from 57.1% to 60.0% for the same periods. Primarily due to an increase in the ASP of approximately 32.6% for lock robots and 22.4% for curtain robots; and (b) our perception and decision-making systems, which increased from 55.8% to 60.4% for the same periods, primarily due to an ASP increase of approximately 47.3% for smart sensors and 27.9% for smart hubs. Such improvements in ASP were a result of our strategic focus on more technologically advanced and premium products and the successful market reception of our newly released, higher-value models, such as the SwitchBot Lock Ultra and SwitchBot Hub 3. Furthermore, our ASP was positively impacted by the appreciation of the Japanese Yen against the RMB, our reporting currency, as Japan is our largest market; (ii) favorable shifts in our product mix, as the revenue contribution from our higher-margin dexterous hand-mimic robots increased to 43.8% of our total revenue for the six months ended June 30, 2025, from 42.6% for the same period in 2024, while concurrently, the revenue contribution from our lower-margin enhanced mobile robots decreased to 16.2% of our total revenue from 21.2% for the same periods, which further enhanced our overall profitability; and (iii) our continued comprehensive cost optimization measures, which were implemented throughout the Track Record Period and contributed to the reduction of our cost of sales and the improvement of our gross profit margins. For details of our cost optimization measures, please refer to the section headed "Business — Path to Sustainability — Our Cost Optimization and Profitability Enhancement Measures" in this prospectus.

Other Income and Gains

Our other income and gains increased from RMB4.6 million for the six months ended June 30, 2024 to RMB10.4 million for the six months ended June 30, 2025. This increase was primarily due to the recognition of a net foreign exchange gain of RMB6.1 million, which was mainly attributable to the appreciation of the Japanese Yen against the Renminbi during the period, as a significant portion of our revenue was denominated in Japanese Yen.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB71.0 million for the six months ended June 30, 2024 to RMB106.8 million for the six months ended June 30, 2025. This increase was primarily due to (i) an increase in advertising, promotion and business development expenses from RMB34.9 million to RMB53.1 million, driven by increased marketing activities to support our overall revenue growth and promotional campaigns for new products, such as our AI tennis robot launched in May 2025; (ii) higher after-sales service fees and platform commission fees in line with our increased sales volume. Although the total amount of our platform commission fees increased, such fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased from 14.1% to 13.6% during the same period. This was mainly because we continued to diversify our DTC sales channels and increase our sales through another e-commerce platform which offered lower commission rates compared to the ones offered by Amazon. As such platform represented an increasing portion of our DTC sales (excluding our self-operated website) in this period, our platform commission fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased accordingly; and (iii) an increase in employee benefit expenses attributable to both the expansion of our sales team and increased compensation for our sales personnel during the period.

Administrative Expenses

Our administrative expenses increased from RMB15.9 million for the six months ended June 30, 2024 to RMB30.9 million for the six months ended June 30, 2025. This increase was primarily attributable to (i) an increase in professional service fees from RMB1.5 million to RMB14.3 million, which primarily consisted of expenses in connection with the proposed Listing; and (ii) an increase in employee benefit expenses attributable to the expansion of our management team to support our business growth and increased compensation for our administrative staff during the period.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB56.7 million and RMB58.7 million for the six months ended June 30, 2024 and 2025, respectively.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net increased from RMB0.1 million for the six months ended June 30, 2024 to RMB0.5 million for the six months ended June 30, 2025. This increase was primarily attributable to higher provisions for expected credit losses recognized on our trade receivables. The growth in our trade receivables balance was in line with our revenue growth during the period.

Other Expenses

Our other expenses decreased from RMB10.9 million for the six months ended June 30, 2024 to RMB2.0 million for the six months ended June 30, 2025. This decrease was primarily attributable to the non-recurrence of a significant foreign exchange loss of RMB10.8 million recorded in the first half of 2024. The expenses for the six months ended June 30, 2025 were primarily comprised of (i) losses related to certain foreign currency forward contracts that were settled during the period; and (ii) losses from the change in fair value of our outstanding foreign currency forward contracts, both of which were a result of the appreciation of Japanese yen against RMB during the period.

Finance Costs

Our finance costs increased from RMB1.7 million for the six months ended June 30, 2024 to RMB2.2 million for the six months ended June 30, 2025. This increase was primarily due to an increase in interest on bank loans from RMB0.1 million for the six months ended June 30, 2024 to RMB0.8 million for the six months ended June 30, 2025, as we obtained new long-term bank loans to support our business development, partially offset by a decrease in interest on lease liabilities from RMB1.3 million for the six months ended June 30, 2024 to RMB1.0 million for the six months ended June 30, 2025. The increase was mainly due to a reduction in rental rates for certain leased properties.

Profit/(Loss) Before Tax

As a result of the foregoing, we recorded a profit before tax of RMB24.1 million for the six months ended June 30, 2025, as compared to a loss before tax of RMB13.0 million for the six months ended June 30, 2024.

Income Tax

We recorded an income tax credit of RMB3.8 million for the six months ended June 30, 2025, as compared to an income tax expense of RMB0.7 million for the six months ended June 30, 2024. We recorded an income tax credit in the first half of 2025 mainly because we recognized a deferred tax asset of RMB6.1 million during the period. Such deferred tax asset was attributable to deductible temporary differences arising mainly from the elimination of unrealized profits on intercompany transactions during the consolidation of our financial statements. This deferred tax credit was partially offset by a current income tax expense of RMB2.3 million resulting from our increased profits during the period.

Profit/(Loss) for the Period

As a result of the foregoing, we recorded a profit for the period of RMB27.9 million for the six months ended June 30, 2025, as compared to a loss for the period of RMB13.6 million for the six months ended June 30, 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased from RMB457.3 million for the year ended December 31, 2023 to RMB609.9 million for the year ended December 31, 2024, representing an increase of 33.4%. This growth was primarily attributable to:

(i) the market penetration of our recently launched products. The revenue generated from our enhanced mobile robots increased by 94.4% from RMB56.7 million in 2023 to RMB110.3 million in 2024, primarily driven by the launch of SwitchBot K10+ Pro and Switchbot S10;

(ii) continuous improvement in sales of established core home system product categories, with our dexterous hand-mimic robot products and perception and decision-making systems experiencing revenue increases of 19.8% and 23.5%, respectively, due to algorithm optimization and hardware iterations in our core lock robots and curtain robots, as well as continued adoption of our smart hubs and smart sensors;

(iii) strategic market expansion across key regions. Revenue from Japan increased by 23.6% due to continued market expansion and channel optimization efforts. European markets demonstrated growth of 89.8% driven by increasing demand for multiple devices arising from scenario-driven ecosystem integration, resulting in rapid adoption of our lock robots and smart sensors. Notably, revenue generated from Germany increased significantly from RMB19.7 million in 2023 to RMB51.5 million in 2024, representing a growth rate of 161.4%. North America increased by 15.9% primarily attributable to our strategic focus on selling high-value enhanced mobile robots which have gained significant market acceptance among North American end consumers. Revenue from the rest of the world increased by 51.7% in markets such as Australia due to our expanded sales and distribution networks; and

(iv) optimization and expansion of sales channels, with (a) revenue from DTC channels increasing by 44.0% through enhanced online platform sales and promotion efforts, which increased our market exposure and brand awareness, (b) revenue from distribution channels growing steadily through strengthened partnerships with a key distributor in Japan, and (c) revenue from other online marketplaces increasing from RMB30.1 million in 2023 to RMB42.0 million in 2024, which was attributable to our collaboration with a leading local e-commerce platform in Japan beginning in 2023 that continuously enhanced our product brand awareness and market penetration in 2024.

Cost of Sales

Our cost of sales increased by 29.8% from RMB226.7 million for the year ended December 31, 2023 to RMB294.3 million for the year ended December 31, 2024, which was generally in line with our revenue growth during the same period. This increase was primarily attributable to increased raw material costs, labor costs, manufacturing expenses, and transportation and storage costs associated with our expanded production activities and sales volume. Such increase was partially offset by a decrease in our outsourcing costs from RMB25.5 million for the year ended December 31, 2023 to RMB19.3 million for the year ended December 31, 2024, which resulted from our strategic decision to internalize certain manufacturing activities related to our enhanced mobile robots that were previously outsourced to third-party contractors. Such shift was implemented to optimize production costs, strengthen quality control, and enhance our manufacturing capabilities to better respond to changing market demands.

Gross Profit and Gross Profit Margin

Our gross profit increased by 36.9% from RMB230.5 million for the year ended December 31, 2023 to RMB315.6 million for the year ended December 31, 2024, which was generally in line with our revenue growth during the same period.

Our gross profit margin increased slightly from 50.4% for the year ended December 31, 2023 to 51.7% for the year ended December 31, 2024. This improvement was primarily attributable to favorable shifts in our product mix, with increased revenue contribution from product categories with enhanced functionalities, higher retail price and improved profit margins, which was largely driven by the increased sales of our advanced models of lock robots and smart hubs throughout 2024, which carried higher gross profit margins.

Other Income and Gains

Our other income and gains increased from RMB8.3 million for the year ended December 31, 2023, to RMB9.1 million for the year ended December 31, 2024, primarily due to new investment income from financial assets at fair value through profit or loss of RMB1.7 million, consisting of structured deposits in RMB and foreign currency-denominated swap and forward contracts.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB136.7 million for the year ended December 31, 2023, to RMB171.9 million for the year ended December 31, 2024. This increase was primarily due to (i) an increase in platform commission fees paid to e-commerce platforms from RMB23.3 million in 2023 to RMB31.5 million in 2024, which was in line with higher sales volumes. Although the total amount of our platform commission fees increased, such fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased from 15.5% in 2023 to 14.6% in 2024. This was mainly because we continued to diversify our DTC sales channels and increase our sales through another e-commerce platform in Japan which offered lower commission rates compared to the ones offered by Amazon. As such platform represented an increasing portion of our DTC sales (excluding our self-operated website) in 2024, our platform commission fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased accordingly; (ii) an increase in advertising and promotion expenses from RMB59.7 million in 2023 to RMB82.2 million in 2024 for online marketing activities and content creation; and (iii) an increase in after-sales expenses from RMB13.6 million in 2023 to RMB17.1 million in 2024 for warranty services and customer support due to higher sales volume.

Administrative Expenses

Our administrative expenses increased from RMB24.1 million for the year ended December 31, 2023, to RMB32.4 million for the year ended December 31, 2024. This increase was mainly attributable to (i) an increase in employee benefit expenses from RMB15.8 million in 2023 to RMB20.9 million in 2024 as a result of expanded headcount to support our business growth and corresponding increases in personnel costs; and (ii) an increase in tax charges from RMB1.0 million in 2023 to RMB2.7 million in 2024 as a result of higher surcharges associated with increased business revenue and improved gross profit during the same period.

Research and Development Expenses

Our research and development expenses increased from RMB89.2 million for the year ended December 31, 2023 to RMB112.0 million for the year ended December 31, 2024. This increase was primarily due to our rapid core technology advancement and product iteration and development across our ecosystem, which caused (i) an increase in employee benefit expenses from RMB61.9 million in 2023 to RMB74.6 million in 2024 as we engaged additional R&D personnel; and (ii) an increase in service fees from RMB16.3 million in 2023 to RMB25.6 million in 2024, mainly for using AWS to support our R&D workflow from product design and code development to testing and model formation.

Impairment Losses on Financial Assets, Net

For the year ended December 31, 2023, we recorded net impairment losses on financial assets of RMB0.8 million, primarily related to provisions for expected credit losses on trade receivables. For the year ended December 31, 2024, we recorded reversal on net impairment losses on financial assets of RMB0.2 million, reflecting the decrease in our trade receivables balance at year-end compared to the previous year, which resulted in a corresponding reduction in the provision for expected credit losses.

Other Expenses

Our other expenses increased from RMB2.1 million for the year ended December 31, 2023, to RMB6.8 million for the year ended December 31, 2024, primarily due to an increase in foreign exchange losses from RMB1.6 million to RMB6.5 million resulting from the depreciation of the Japanese yen against RMB during the period. We also incurred non-operating expenses of RMB0.3 million in 2024, mainly related to the relocation of our manufacturing facilities from Shenzhen to Huizhou, Guangdong Province, which was necessary for our production capacity expansion and resulted in the early termination of the relevant lease agreement for our previous manufacturing facilities in Shenzhen.

Finance Costs

Our finance costs increased from RMB2.2 million for the year ended December 31, 2023, to RMB4.4 million for the year ended December 31, 2024, primarily due to (i) interest on new bank loans of RMB1.3 million as we obtained additional new bank financing to support our business development; and (ii) an increase in interest on lease liabilities from RMB1.5 million to RMB2.4 million due to expansion of our manufacturing facilities.

Loss Before Tax

As a result of the foregoing, our loss before tax decreased significantly from RMB16.3 million for the year ended December 31, 2023, to RMB2.7 million for the year ended December 31, 2024.

Income Tax

Our income tax increased from RMB89,000 for the year ended December 31, 2023, to RMB0.4 million for the year ended December 31, 2024. We incurred income tax primarily due to profits generated by our overseas subsidiaries, despite our overall loss position.

Loss for the Year

As a result of the foregoing, our loss for the year improved significantly from RMB16.4 million for the year ended December 31, 2023, to RMB3.1 million for the year ended December 31, 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased significantly from RMB274.6 million for the year ended December 31, 2022 to RMB457.3 million for the year ended December 31, 2023, representing an increase of 66.5%. This growth was primarily attributable to:

(i) the launch of new products, particularly our enhanced mobile robots with sales of RMB56.7 million in 2023, including the launch of SwitchBot K10+, the world's smallest laser vacuum robot in terms of product diameter, which gained rapid market acceptance.

(ii) continuous improvement in the sales of established core home system product categories, with our dexterous hand-mimic robot products experiencing a revenue increase of 41.8% from RMB139.9 million to RMB198.3 million, which included a significant increase in revenue from curtain robots from RMB40.6 million in 2022 to RMB77.0 million in 2023, mainly driven by continuous upgrades to our core product lines through algorithm optimization and hardware iterations. In addition, revenue from our perception and decision-making systems increased by 80.7% to RMB161.2 million, primarily due to the launch of our new and advanced smart hub products, including the SwitchBot Hub 2 (featuring additional functions and more powerful performance), which generated RMB58.0 million in revenue in 2023, along with strong revenue growth from our smart sensors.

(iii) strategic market expansion across key regions. Revenue from Japan increased by 69.3% from RMB168.4 million in 2022 to RMB285.1 million in 2023 due to reinforcement and expansion of our competitive advantages in the Japanese market, along with our active diversification of the local sales channels, including new partnership with a large retailer. European markets demonstrated growth of 48.8% primarily due to our expanded distribution networks and increasing consumer awareness. North America increased by 75.3% from RMB47.6 million in 2022 to RMB83.5 million in 2023 with revenue from the United States growing from RMB45.1 million in 2022 to RMB78.5 million in 2023, while revenue from the rest of the world increased by 61.1% in emerging markets through enhanced marketing and promotion activities; and

(iv) optimization and expansion of sales channels, with DTC channels revenue increasing by 108.5% from RMB101.2 million to RMB211.0 million because (a) we focused on generating and guiding online traffic and potential customers to our self-operated website, the revenue of which increased by 197.1% from RMB20.5 million to RMB60.8 million, and (b) we commenced collaboration with a leading local e-commerce platform in Japan in 2023, resulting in a substantial increase in revenue from other online marketplaces from RMB0.9 million in 2022 to RMB30.1 million in 2023. Retailer channels grew by 19.0% from RMB172.1 million to RMB204.8 million as we expanded our retailer network to include large retailers in our key markets as mentioned above.

Cost of Sales

Our cost of sales increased by 25.6% from RMB180.5 million for the year ended December 31, 2022 to RMB226.7 million for the year ended December 31, 2023. This increase was primarily attributable to (i) an increase in raw material costs, labor costs and transportation and storage costs in line with higher demand for our products; and (ii) an increase in outsourcing costs from RMB11.0 million to RMB25.5 million as we expanded our manufacturing capacity through third-party manufacturers to meet rapidly growing demand. However, the increase in cost of sales was at a lower rate compared to our revenue growth, reflecting our improved cost efficiency and economies of scale.

Gross Profit and Gross Profit Margin

Our gross profit increased significantly by 144.9% from RMB94.1 million for the year ended December 31, 2022 to RMB230.5 million for the year ended December 31, 2023, which exceeded our revenue growth during the same period.

Our gross profit margin increased significantly from 34.3% for the year ended December 31, 2022 to 50.4% for the year ended December 31, 2023. Our gross profit growth outpaced our revenue growth during the same year as a result of our improved gross profit margin, which was primarily attributable to:

(i) favorable shifts in our product mix. The revenue contribution from our higher-margin home robotic system products, which recorded a gross margin of 52.6% in 2023, increased to 91.0% of total revenue for the year ended December 31, 2023 from 83.4% for the year ended December 31, 2022. Concurrently, the revenue contribution from our lower-margin other smart home products and services, which recorded a gross margin of 28.3% in 2023, decreased to 9.0% of total revenue from 16.6% over the same period, thereby enhancing the proportion of higher-margin products within our revenue structure;

(ii) an increase in the gross margin for our core home robotic system products from 37.3% in 2022 to 52.6% in 2023. This was primarily attributable to the introduction and increased market penetration of our technologically advanced products throughout 2023, which generally carried higher gross profit margins. This was reflected in the increased gross profit margin for (a) our dexterous hand-mimic robots, the gross profit margin of which increased from 41.3% in 2022 to 55.2% in 2023, primarily driven by ASP increases of 25.2% for lock robots and 18.9% for curtain robots in 2023 compared to 2022. The ASP increase for lock robots and curtain robots was mainly due to the successive launches of new products such as SwitchBot Lock Pro and SwitchBot Curtain 3 in 2023 as well as price adjustments to mitigate foreign exchange risk arising from the depreciation of the Japanese Yen; and (b) our perception and decision-making systems, the gross profit margin of which increased from 31.0% in 2022 to 56.7% in 2023, primarily due to ASP increases of 125.9% for smart hubs, and 35.3% for smart cameras in 2023 compared to 2022. The ASP increase for smart hubs resulted from the launch of the SwitchBot Hub 2 in 2023, which had a significantly higher ASP compared to previous models due to advanced technologies and complex functionalities, while the increases in ASP for smart cameras were driven by our strategic moves to raise product selling prices to enhance product gross margins and mitigate foreign exchange risk; and

(iii) our comprehensive cost optimization initiatives. We achieved comprehensive cost optimization through (a) standardized design, which enabled component commonality and bulk procurement, thereby further enhancing our negotiating power when purchasing components from our suppliers power; (b) modular production, which improved our production efficiency and reduced our labor costs; and (c) strategic cost management initiatives, pursuant to which we actively replaced a number of foreign-made components, such as semiconductors, with those manufactured in mainland China, which led to lower per unit procurement costs for such components. These measures contributed to our cost of sales increasing at a lower rate than our revenue growth, reflecting our improved cost efficiency.

Other Income and Gains

Our other income and gains increased from RMB6.8 million for the year ended December 31, 2022 to RMB8.3 million for the year ended December 31, 2023. This increase was primarily due to an increase in gain on sublease of right-of-use assets of RMB1.6 million, which mainly resulted from the subleasing of certain unused portions of our leased premises to optimize the use of our assets.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB102.1 million for the year ended December 31, 2022 to RMB136.7 million for the year ended December 31, 2023. This increase was primarily due to (i) an increase in platform commission fees paid to e-commerce platforms from RMB13.8 million in 2022 to RMB23.3 million in 2023, which were generally in line with higher sales volumes. Although the total amount of our platform commission fees increased, such fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased from 17.1% in 2022 to 15.5% in 2023. This was mainly because we began to diversify our DTC sales channels in 2023 by selling our products on another e-commerce platform in Japan which offered lower commission rates compared to the ones offered by Amazon. As this platform represented a new and growing portion of our DTC sales (excluding our self-operated website) in 2023, our platform commission fees as a percentage of our sales through DTC channels (excluding our self-operated website) decreased accordingly; (ii) an increase in employee benefit expenses from RMB22.9 million to RMB32.1 million as we expanded our sales team and paid higher bonus for our sales team as a result of our strong revenue growth in 2023; (iii) an increase in after-sales services from RMB5.1 million in 2022 to RMB13.6 million in 2023 due to our growing customer base and expanded warranty services; and (iv) an increase in advertising, promotion, and business development expenses from RMB54.3 million in 2022 to RMB59.7 million in 2023 as we intensified our online marketing activities.

Administrative Expenses

Our administrative expenses increased from RMB21.0 million for the year ended December 31, 2022 to RMB24.1 million for the year ended December 31, 2023. This increase was mainly attributable to (i) an increase in employee benefit expenses from RMB12.5 million in 2022 to RMB15.8 million in 2023 as a result of expanded headcount to support our business growth and corresponding increases in personnel costs; (ii) an increase in tax charges from RMB0.4 million in 2022 to RMB1.0 million in 2023 due to higher business revenue and improved gross profit margins; and (iii) an increase in depreciation and amortization from RMB1.2 million in 2022 to RMB1.7 million in 2023 due to office space expansion necessitated by the growth of our management team, partially offset by a decrease in professional service fees from RMB3.8 million in 2022 to RMB1.9 million in 2023 due to the non-recurrence of one-time financial advisory fees related to strategic planning consulting services incurred in 2022.

Research and Development Expenses

Our research and development expenses increased from RMB61.8 million for the year ended December 31, 2022 to RMB89.2 million for the year ended December 31, 2023. This increase was primarily due to our investment in both core technology advancement and product development, which caused an increase in employee benefit expenses from RMB41.9 million in 2022 to RMB61.9 million in 2023 as we engaged additional R&D personnel to support both algorithm development and hardware design.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets increased from RMB0.1 million for the year ended December 31, 2022 to RMB0.8 million for the year ended December 31, 2023, primarily due to increased provisions for expected credit losses on trade receivables in line with our revenue growth and expanded customer base.

Other Expenses

Our other expenses increased from RMB0.4 million for the year ended December 31, 2022 to RMB2.1 million for the year ended December 31, 2023, primarily due to an increase in foreign exchange losses from RMB3,000 in 2022 to RMB1.6 million in 2023 resulting from the depreciation of the Japanese yen against RMB.

Finance Costs

Our finance costs remained relatively stable at RMB2.4 million and RMB2.2 million, respectively for the year ended December 31, 2022 and 2023.

Loss Before Tax

As a result of the foregoing, our loss before tax decreased significantly from RMB86.9 million for the year ended December 31, 2022 to RMB16.4 million for the year ended December 31, 2023.

Income Tax

Our income tax increased from RMB49,000 for the year ended December 31, 2022 to RMB89,000 for the year ended December 31, 2023. We incurred income tax primarily due to profits generated by our overseas subsidiaries, despite our Group's overall loss position, as explained above.

Loss for the Year

As a result of the foregoing, our loss for the year improved significantly from RMB87.0 million for the year ended December 31, 2022 to RMB16.4 million for the year ended December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows Analysis

We have historically met our working capital needs primarily through funds from equity financing, cash flow from operating activities, bank loans. Our primary uses of cash are for our working capital needs and capital expenditures.

Upon the completion of the Global Offering, we expect to meet our working capital needs primarily through cash flows from operating activities, bank loans and the net proceeds to our Company from the Global Offering.

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

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Net cash flows generated from/(used in) operating activities	(106,994)	24,621	(31,278)	(32,804)	29,167
Net cash flows (used in)/generated from investing activities	(13,169)	(13,743)	(90,656)	(8,781)	55,114
Net cash flows (used in)/generated from financing activities	226,826	(24,411)	60,595	26,485	43,820
Net increase/(decrease) in cash and cash equivalents	106,663	(13,533)	(61,339)	(15,100)	128,101
Cash and cash equivalents at beginning of year	38,706	145,265	130,177	130,177	62,337
Effect of foreign exchange rate changes, net	(104)	(1,555)	(6,501)	(11,201)	6,627
Cash and cash equivalents at end of year, represented by bank balances and cash	145,265	130,177	62,337	103,876	197,065

Net Cash Flows Used in/Generated from Operating Activities

During the Track Record Period, our cash flows used in operating activities were primarily affected by our operating results and changes in working capital.

For the year ended December 31, 2022, our net cash flows used in operating activities was RMB107.0 million. This net cash outflow was primarily attributable to (i) loss before tax of RMB86.9 million; (ii) positive total adjustments before movements in working capital of RMB25.2 million, primarily reflecting (a) RMB10.4 million of positive adjustments for depreciation of right-of-use assets; (b) RMB7.1 million of positive adjustments for write-down of inventories to net realizable value; and (c) RMB3.4 million of positive adjustments for equity-settled share-based payment expenses; (iii) negative movements in working capital of RMB46.8 million, primarily reflecting (a) RMB25.9 million increase in inventories; (b) RMB100.1 million increase in trade receivables; and (c) RMB6.6 million increase in prepayments, other receivables and other assets, partially offset by RMB78.6 million decrease in factored trade receivables; and (iv) income tax paid of RMB49,000.

For the year ended December 31, 2023, our net cash flows generated from operating activities was RMB24.6 million. This net cash outflow was primarily attributable to (i) loss before tax of RMB16.3 million; (ii) positive total adjustments before movements in working capital of RMB31.0 million, primarily reflecting (a) RMB11.5 million of positive adjustments for depreciation of right-of-use assets; (b) RMB7.6 million of positive adjustments for write-down of inventories to net realizable value; (c) RMB5.1 million of positive adjustments for depreciation of property, plant and equipment; and (d) RMB4.2 million of positive adjustments for equity-settled share-based payment expenses; (iii) positive movements in working capital of RMB8.7 million, primarily reflecting (a) RMB156.9 million of decrease in factored trade receivables; (b) RMB16.7 million increase in trade payables; and (iii) RMB12.6 million increase in other payables and accruals, partially offset by RMB174.5 million increase in trade receivables; and (iv) income tax paid of RMB89,000.

For the year ended December 31, 2024, our net cash flows used in operating activities was RMB31.3 million. This net cash outflow was primarily attributable to (i) loss before tax of RMB2.7 million; (ii) positive total adjustments before movements in working capital of RMB38.2 million, primarily reflecting (a) RMB11.0 million of positive adjustments for depreciation of right-of-use assets; (b) RMB9.6 million of positive adjustments for depreciation of property, plant and equipment; (c) RMB6.5 million of positive adjustments for foreign exchange difference; and (d) RMB5.6 million of positive adjustments for write-down of inventories to net realizable value; (iii) negative movements in working capital of RMB68.4 million, primarily reflecting (a) RMB86.8 million increase in inventories; (b) RMB172.8 million increase in trade receivables; and (c) RMB15.7 million decrease in trade payables; partially offset by RMB189.2 million decrease in factored trade receivables; and (iv) income tax paid of RMB0.4 million.

For the six months ended June 30, 2025, our net cash flows generated from operating activities was RMB29.2 million. This net cash inflow was primarily attributable to (i) profit before tax of RMB24.1 million; (ii) positive total adjustments before movements in working capital of RMB20.4 million, primarily reflecting (a) RMB5.7 million of positive adjustments for write-down of inventories to net realizable value; (b) RMB5.6 million of positive adjustments for depreciation of property, plant and equipment; and (c) RMB5.0 million of positive adjustments for equity-settled share-based payment expenses; (iii) negative movements in working capital of RMB15.7 million, primarily reflecting (a) RMB161.8 million increase in trade receivables and (b) RMB44.8 million increase in inventories, partially offset by (a) RMB108.9 million increase in trade payables, and (b) RMB74.2 million decrease in factored trade receivables; and (iv) income tax paid of RMB0.2 million.

Net Cash Flows Used in/Generated from Investing Activities

During the Track Record Period, our investing activities primarily consisted of purchases of financial assets at fair value through profit or loss, purchases of items of property, plant and equipment, and purchases of intangible assets.

For the year ended December 31, 2022, our net cash flows used in investing activities amounted to RMB13.2 million, primarily reflecting (i) RMB7.8 million of purchases of items of property, plant and equipment; (ii) RMB3.7 million of placement of time deposits; and (iii) RMB1.5 million of purchases of intangible assets.

For the year ended December 31, 2023, our net cash flows used in investing activities amounted to RMB13.7 million, primarily reflecting (i) RMB4.9 million of purchases of intangible assets; (ii) RMB9.5 million of purchases of items of property, plant and equipment; and (iii) RMB4.3 million of placement of time deposits, partially offset by RMB4.8 million of withdrawal of time deposits.

For the year ended December 31, 2024, our net cash flows used in investing activities amounted to RMB90.7 million, primarily reflecting (i) RMB118.0 million of purchases of financial assets at fair value through profit or loss; (ii) RMB17.7 million of purchases of items of property, plant and equipment; and (iii) RMB22.8 million of placement of restricted cash, partially offset by (i) RMB65.7 million of disposal of financial assets at fair value through profit or loss; and (ii) RMB7.4 million of withdrawal of restricted cash.

For the six months ended June 30, 2025, our net cash flows from investing activities amounted to RMB55.1 million, primarily reflecting (i) RMB84.3 million of disposal of financial assets at fair value through profit or loss; and (ii) RMB17.5 million of withdrawal of restricted cash, partially offset by (i) RMB30.0 million of purchase of financial assets at fair value through profit or loss; (ii) RMB7.5 million of asset acquisition; and (iii) RMB5.6 million of purchases of items of property, plant and equipment.

Net Cash Flows Used in/Generated from Financing Activities

During the Track Record Period, our financing activities primarily related to (i) new bank loans raised; (ii) repayment of bank loans; (iii) capital contribution by shareholders; and (iv) principal portion of capital element of lease payments.

For the year ended December 31, 2022, our net cash flows from financing activities amounted to RMB226.8 million, primarily reflecting (i) RMB200.0 million of capital contribution by shareholders from our B+ round financing; and (ii) RMB118.8 million of new borrowings from factored trade receivables, partially offset by (i) RMB78.6 million of repayment of borrowings from factored trade receivables; and (ii) RMB11.0 million of payments of lease liabilities.

For the year ended December 31, 2023, our net cash flows used in financing activities amounted to RMB24.4 million, primarily reflecting (i) RMB156.9 million of repayment of borrowings from factored trade receivables; and (ii) RMB12.6 million of payment of lease liabilities, partially offset by RMB146.9 million of new borrowings from factored trade receivables.

For the year ended December 31, 2024, our net cash flows from financing activities amounted to RMB60.6 million, primarily reflecting (i) RMB183.5 million of new borrowings from factored trade receivables; and (ii) RMB88.1 million of new bank loans, partially offset by RMB189.2 million of repayment of borrowings from factored trade receivables.

For the six months ended June 30, 2025, our net cash flows from financing activities amounted to RMB43.8 million, primarily reflecting (i) RMB73.3 million of new borrowings from factored trade receivables; (ii) RMB59.1 million of proceeds from issue of shares; and (iii) RMB58.0 million of new bank loans, partially offset by (i) RMB74.2 million of repayment of borrowings from factored trade receivables; (ii) RMB64.8 million of repayment of bank loans; and (iii) RMB5.9 million of payments of lease liabilities.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we finance our working capital needs primarily through financing activities. Taking into account the financial resources available to our Group, including the cash flow from operating activities, existing borrowings and the estimated net proceeds from the Global Offering, our Directors are of the view that, after due and careful inquiry, our Group has sufficient available working capital for our present requirements for at least the next 12 months from the date of this prospectus.

DESCRIPTION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current Assets and Current Liabilities

The table below sets forth the breakdown of our current assets and current liabilities as at the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets					
Inventories	83,589	82,437	163,637	202,746	216,164
Trade receivables	45,103	62,091	45,815	133,035	65,679
Prepayments, deposits and other receivables	16,873	22,124	22,989	30,229	46,365
Financial assets at fair value through profit or loss	8	—	54,391	—	68,000
Restricted cash	824	510	15,917	900	2,853
Time deposits	3,103	2,562	2,909	2,947	14,272
Cash and cash equivalents	145,265	130,177	62,337	197,065	157,072
Total current assets	**294,765**	**299,901**	**367,995**	**566,922**	**570,405**
Current liabilities					
Trade payables	27,677	44,330	28,587	137,492	162,074
Contract liabilities	3,202	3,558	4,553	7,682	28,821
Other payables and accruals	20,122	32,674	43,151	66,054	65,152
Financial liabilities at fair value through profit or loss	129	—	68	420	—
Interest-bearing bank loans	40,207	30,200	91,250	37,938	10,410
Lease liabilities	11,270	12,344	11,641	7,945	10,500
Provision	6,479	14,200	20,487	22,011	21,922
Income tax payable	—	—	—	2,101	2,737
Total current liabilities	**109,086**	**137,306**	**199,737**	**281,643**	**301,616**
Net Current Assets	**185,679**	**162,595**	**168,258**	**285,279**	**268,789**

For details on the accounting treatment of redemption rights, see "— Share Capital and Total Equity" in this section and note 28 to the Accountants' Report set out in Appendix I to this prospectus.

Our net current assets decreased from RMB185.7 million as of December 31, 2022 to RMB162.6 million as of December 31, 2023. The decrease in net current assets was primarily due to the increase in our total current liabilities outpacing the increase in our total current assets. Our total current liabilities increased from RMB109.1 million as of December 31, 2022 to RMB137.3 million as of December 31, 2023, primarily due to (i) an increase of RMB16.7 million in trade payables, mainly because our procurement from suppliers increased as our business expanded in 2023; (ii) an increase of RMB12.6 million in other payables and accruals, resulting from increased payroll payables as we expanded our operations and enhanced staff compensation; and (iii) an increase of RMB7.7 million in provision, mainly due to the growth in our sales volume, partially offset by a decrease in interest-bearing bank loans of RMB10.0 million due to our partial settlement of such bank loans. Our total current assets increased from RMB294.8 million as of December 31, 2022 to RMB299.9 million as of December 31, 2023, primarily due to an increase of RMB17.0 million in trade receivables, mainly due to our increased sales volume, partially offset by a decrease of RMB15.1 million in cash and cash equivalents, resulting from our utilization of cash resources in response to our rapid business expansion and increased operating expenses.

Our net current assets increased from RMB162.6 million as of December 31, 2023 to RMB168.3 million as of December 31, 2024. The increase in net current assets was primarily due to the increase in our total current assets outpacing the increase in our total current liabilities. Our total current assets increased from RMB299.9 million as of December 31, 2023 to RMB368.0 million as of December 31, 2024, primarily due to (i) an increase of RMB81.2 million in inventories, mainly because we increased our raw materials and finished goods stock levels in anticipation of continued strong market demand following our strong sales performance in 2023, and expanded our product lines with the sales of several new high-value products such as enhanced mobile robots; (ii) an increase of RMB54.4 million in financial assets at fair value through profit or loss, primarily attributable to our investment in structured deposits issued by qualified banks in the PRC to optimize our cash management; and (iii) an increase of RMB15.4 million in restricted cash, which was used as margin for foreign exchange derivatives, partially offset by a decrease of RMB67.8 million in cash and cash equivalents, mainly due to our expanded procurement and manufacturing activities which increased our working capital requirements. Our current liabilities increased from RMB137.3 million as of December 31, 2023 to RMB199.7 million as of December 31, 2024, primarily due to (i) an increase of RMB61.1 million in interest-bearing bank loans, which we obtained primarily to support our business expansion and working capital needs; (ii) an increase of RMB10.5 million in other payables and accruals, primarily due to increased payroll payables and tax payables related to our business growth; and (iii) an increase of RMB6.3 million in provision due to sales growth, partially offset by a decrease of RMB15.7 million in trade payables, as we settled certain outstanding invoices with suppliers before year-end.

Our net current assets increased from RMB168.3 million as of December 31, 2024 to RMB285.3 million as of June 30, 2025. The increase in net current assets was primarily due to the increase in our total current assets outpacing the increase in our total current liabilities. Our total current assets increased from RMB368.0 million as of December 31, 2024 to RMB566.9 million as of June 30, 2025, primarily due to (i) an increase of RMB134.7 million in cash and cash equivalents, primarily due to proceeds received from our pre-IPO financing activities and increased cash inflows from operations; (ii) an increase of RMB87.2 million in trade receivables, primarily due to our increased sales volume from business expansion; and (iii) an increase of RMB39.1 million in inventories, primarily due to our increased stock of raw materials and finished goods to support our expanding sales activities and in anticipation of future growth. This was partially offset by a decrease of RMB54.4 million in financial assets at fair value through profit or loss, primarily due to the maturity and redemption of structured deposits to fund our working capital needs, and a decrease of RMB15.0 million in restricted cash, primarily due to the release of margin deposits for foreign exchange derivatives. Our total current liabilities increased from RMB199.7 million as of December 31, 2024 to RMB281.6 million as of June 30, 2025, primarily due to (i) an increase of RMB108.9 million in trade payables, primarily due to our increased procurement of raw materials and services to support our expanded business operations; and (ii) an increase of RMB22.9 million in other payables and accruals, primarily due to an increase in accrued payroll and other operating expenses in line with our business expansion. This was partially offset by a decrease in interest-bearing bank loans of RMB53.3 million, primarily due to the scheduled repayment of outstanding bank loans.

Our net current assets decreased from RMB285.3 million as of June 30, 2025 to RMB268.8 million as of October 31, 2025. The decrease in net current assets was primarily due to the increase in our total current liabilities outpacing the increase in our total current assets. Our total current assets increased from RMB566.9 million as of June 30, 2025 to RMB570.4 million as of October 31, 2025, primarily due to (i) an increase of RMB16.2 million in prepayments, deposits and other receivables, mainly because in the third quarter of 2025 we made higher prepayments to certain new suppliers in connection with the stocking of our newly launched products such as Acemate; (ii) an increase of RMB11.4 million in time deposits, primarily because we allocated part of our funds into medium- to long-term U.S. dollar time deposit products in view of their relatively higher interest rates; and (iii) an increase of RMB68.0 million in financial assets at fair value through profit or loss, mainly attributable to our investment in structured deposits issued by qualified banks in the PRC to optimize our cash management. These increases were partially offset by a decrease of RMB67.4 million in trade receivables, primarily because the second quarter is the peak stocking period for our retailers as they prepare for major sales events in the third quarter, and the relevant receivables were subsequently settled. Our total current liabilities increased from RMB281.6 million as of June 30, 2025 to RMB301.6 million as of October 31, 2025, primarily due to (i) an increase of RMB24.6 million in trade and bills payables, mainly because we began using bank acceptance bills with a typical tenure of six months to settle a portion of our payables from July 2025; and (ii) an increase of RMB21.1 million in contract liabilities, mainly due to advances received in connection with the pre-sale of our new Acemate products and other new products.

Inventories

Our inventory primarily comprises (i) raw materials, which mainly include electronic materials, plastics, and packaging materials; (ii) work in progress, representing partially completed products in the manufacturing process; (iii) finished goods, which are completed products ready for sale; and (iv) goods in transit, which represent products that have been shipped but not yet delivered to customers. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our inventory amounted to RMB83.6 million, RMB82.4 million, RMB163.6 million, and RMB202.7 million respectively, representing 28.4%, 27.5%, 44.5% and 35.8% of our total current assets as of the respective dates.

The following table sets forth, as of the dates indicated, a summary of our balance of inventories:

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	30,475	30,700	63,366	72,567
Work in process	26	4,386	3,837	13,957
Finished goods	50,032	37,427	87,355	112,491
Goods in transit	3,056	9,924	9,079	3,731
Total	**83,589**	**82,437**	**163,637**	**202,746**

Our inventories remained relatively stable at RMB83.6 million as of December 31, 2022 and RMB82.4 million as of December 31, 2023. Our inventories increased significantly from RMB82.4 million as of December 31, 2023 to RMB163.6 million as of December 31, 2024, primarily due to (i) an increase in raw materials from RMB30.7 million to RMB63.4 million to support our expanded product offerings; and (ii) an increase in finished goods from RMB37.4 million to RMB87.4 million, reflecting our strategic decision to maintain higher inventory levels for new product launches and to meet anticipated demand growth in 2025. Our inventories increased from RMB163.6 million as of December 31, 2024 to RMB202.7 million as of June 30, 2025, primarily due to (i) an increase in finished goods from RMB87.4 million as of December 31, 2024 to RMB112.5 million as of June 30, 2025, reflecting our strategic stock-piling for new product launches, such as SwitchBot Hub 3, and in preparation for major sales events such as the Amazon Prime Day in July 2025; and (ii) an increase in raw materials from RMB63.4 million to RMB72.6 million to support the production of these products in anticipation of increased sales.

The following table sets forth the average inventory turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Average inventory turnover days[(1)]	111.9	76.8	82.0	90.5

Note:

(1) The average inventory turnover days for a certain period is the average of opening and closing inventory balances divided by revenue and multiplied by the number of days in the relevant year/period.

Our inventory turnover days decreased from 111.9 days in 2022 to 76.8 days in 2023, primarily attributable to the significantly increased demand for our products during 2023. Concurrently, we implemented strategic adjustments to our manufacturing arrangements to meet such increased demand, which enabled our inventory levels to remain stable notwithstanding the aforementioned growth in demand. Our inventory turnover days increased from 76.8 days in 2023 to 82.0 days in 2024, primarily due to our strategic decision to increase inventory levels to meet anticipated market demands. This increase was also influenced by our expansion into new higher-value product categories such as enhanced mobile robots, which required additional safety stock during the market introductory phase. Our inventory turnover days increased from 82.0 days for the year ended December 31, 2024 to 90.5 days for the six months ended June 30, 2025, primarily due to our strategic decision to increase our inventory level in preparation for major sales events including Amazon Prime Day in July 2025. The increase was also attributable to the introduction of new products, which required higher initial stock levels.

The following table sets out the ageing analysis of the inventories as of December 31, 2022, 2023 and 2024 and June 30, 2025:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	79,885	75,955	158,999	192,426
Over 1 year	3,704	6,482	4,638	10,320
Total	**83,589**	**82,437**	**163,637**	**202,746**

The Directors believe that there is no material recoverability issue for inventories for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025.

As of October 31, 2025, RMB109.9 million, or 54.2%, of our inventories as of June 30, 2025 had been subsequently sold or utilized.

Trade Receivables

Trade Receivables

Our trade receivables primarily represent amounts due from customers for products sold through our various sales and distributions channels. The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	45,161	62,702	46,288	133,940
Less: impairment of trade receivables	(58)	(611)	(473)	(905)
Total	**45,103**	**62,091**	**45,815**	**133,035**

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our trade receivables (exclusive of impairment of trade receivables) amounted to RMB45.2 million, RMB62.7 million, RMB46.3 million and RMB133.9 million, respectively. Our trade receivables (exclusive of impairment of trade receivables) increased from RMB45.2 million as of December 31, 2022 to RMB62.7 million as of December 31, 2023, primarily due to our overall sales growth in 2023. Our trade receivables decreased from RMB62.7 million as of December 31, 2023 to RMB46.3 million as of December 31, 2024, which was primarily attributable to the earlier placement of orders by our key customers, with the corresponding receivables being subsequently settled prior to the end of 2024. Our trade receivables increased from RMB46.3 million as of December 31, 2024 to RMB133.9 million as of June 30, 2025. The increase was primarily due to a significant growth in the sales to our key customers, such as Amazon and a key distributor in Japan, which was driven by strong sales of our sensor and camera products as well as the successful launch of new products in our lock robots category.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our impairment of trade receivables amounted to RMB58,000, RMB0.6 million, RMB0.5 million and RMB0.9 million, respectively.

Turnover Days and Settlements

The table below sets forth our trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Trade receivables turnover days[(1)]	43.0	43.0	32.6	41.5

Note:

(1) The calculation of trade receivables turnover days is based on the average of the opening balance and closing balance of trade receivables for the relevant year divided by revenue and multiplied by the number of days in the relevant year/period.

Our trade terms with its certain customers are on credit, and the credit period is up to 90 days. We seek to maintain strict control over its outstanding receivables and have a credit control department to minimise credit risk. Overdue balances are reviewed regularly by our management. Our trade receivables turnover days remained stable at 43.0 days and 43.0 days, in 2022 and 2023, respectively. Our trade receivables turnover days decreased from 43.0 days in 2023 to 32.6 days in 2024, primarily because revenue generated from our DTC channels increased at a faster rate than revenue from our retailer channels. DTC channels generally require end consumers to settle their payment before shipment of goods, while we generally grant credit terms to our retailers and distributors. Our trade receivables turnover days increased from 32.6 days in 2024 to 41.5 days for the six months ended June 30, 2025, primarily due to significant growth in sales to our key retail and distribution customers, such as Amazon and a key distributor in Japan, to whom we generally extend credit terms, with a large portion of these sales occurring toward the end of the first half of 2025. All of our trade receivables aged within one year.

Transfer of Trade Receivables

As part of our normal business, we entered into a trade receivable factoring arrangement (the "Arrangement") and transferred certain trade receivables to a bank. Under the Arrangement, we may be required to reimburse the bank for loss of interest if any trade debtors have late payment up to 150 days. In the opinion of the directors, We retained the substantial risks and rewards, which include default risks relating to such factored trade receivables, and accordingly, it continued to recognize the full carrying amounts of the factored trade receivables and the associated bank loans.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of the trade receivables transferred under the Arrangement and the bank loans received associated with the factored trade receivables amounted to RMB118.8 million, RMB146.9 million, RMB183.5 million and RMB73.3 million, respectively.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, the original carrying value of the trade receivables transferred under the Arrangement that have not been settled and the associated bank loans recognized was RMB40.2 million, RMB30.2 million, RMB24.5 million and RMB23.6 million, respectively.

As of October 31, 2025, RMB133.6 million, or 99.7%, of our trade receivables as of June 30, 2025 had been subsequently settled.

Prepayments, Deposits and Other Receivables

Our prepayment, deposits and other receivables primarily consist of (i) prepayments, which primarily consist of advance payments to suppliers; (ii) value-added tax recoverable, which primarily consists of input VAT that can be used to offset output VAT; (iii) right-of-return assets; (iv) prepaid other taxes; and (v) other receivables and deposits.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our prepayments, deposits and other receivables amounted to RMB16.9 million, RMB22.1 million, RMB23.0 million and RMB30.2 million, respectively. The following table sets forth the breakdown of our current prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	5,650	11,571	9,667	14,968
Prepaid other taxes	891	1,224	—	—
Deferred listing expenses	—	—	—	1,798
Right-of-return assets	291	407	728	619
Prepayments	8,895	6,957	10,260	8,238
Net investment in the sublease	80	405	375	367
Other receivables and deposit[1]	1,126	1,669	2,083	4,525
Less: Impairment of other receivables and deposit	(60)	(109)	(124)	(286)
Total	**16,873**	**22,124**	**22,989**	**30,229**

Note:

(1) Other receivables are unsecured, non-interest-bearing and are collectable within one year.

Our current portion of prepayments, deposits and other receivables increased from RMB16.9 million as of December 31, 2022 to RMB22.1 million as of December 31, 2023, primarily attributable to an increase in value-added tax recoverable from RMB5.7 million to RMB11.6 million during the same period. This increase primarily resulted from a temporary timing difference wherein Woan Technology, our subsidiary in mainland China, had paid substantial input VAT on increased materials procurement towards the end of 2023, while the corresponding output VAT had not yet been collected as of December 31, 2023 to offset such input VAT. This timing difference is consistent with our business model, as we primarily export our products overseas; partially offset by a decrease in prepayments from RMB8.9 million in 2022 to RMB7.0 million in 2023 as a result of our increased shift toward in-house production, which reduced the need for prepayments to external subcontractors. Our prepayments, deposits and other receivables increased from RMB22.1 million as of December 31, 2023 to RMB23.0 million as of December 31, 2024, primarily attributable to an increase in prepayments to our suppliers from RMB7.0 million as of December 31, 2023 to RMB10.3 million as of December 31, 2024, which was mainly due to greater year-end stock preparation in anticipation of the continued strong demand for our products in 2025. Our current portion of prepayments, deposits and other receivables increased from RMB23.0 million as of December 31, 2024 to RMB30.2 million as of June 30, 2025. This increase was primarily attributable to (i) an increase in value-added tax recoverable to RMB15.0 million, resulting from higher input VAT paid on increased procurement activities in anticipation of continued strong sales in 2025, especially during major promotional events such as Amazon Prime Day in July; (ii) the recognition of RMB1.8 million in deferred listing expenses in connection with the proposed Listing; and (iii) an increase in other receivables and deposits, primarily due to the reclassification of approximately RMB2.0 million in lease and decoration deposits from non-current to current assets, as the underlying lease contracts became due within one year.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, the impairment of other receivables and deposits remained insignificant at RMB0.1 million, RMB0.1 million, RMB0.1 million and RMB0.3 million, respectively.

As of October 31, 2025, RMB15.9 million, or 52.2%, of our prepayment, deposits and other receivables as of June 30, 2025 had been subsequently settled.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss primarily consist of investments in structured deposits and derivative financial instruments such as foreign exchange swap deposits and foreign exchange forward contracts, issued by qualified banks in the PRC. After making an investment, we closely monitor the performance and fair value of these investments on a regular basis.

These financial assets are classified and measured at fair value through profit or loss as they are not held within the business model with the objective to collect contractual cashflows nor the business model with the objective of both collecting contractual cashflows and selling. We recorded financial assets at fair value through profit or loss of RMB8,000, nil, RMB54.4 million and nil as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The significant increase in 2024 was due to our investments in structured deposits issued by qualified banks in the PRC. We had nil financial assets at fair value through profit or loss as of June 30, 2025 primarily due to the maturity and redemption of structured deposits to fund our working capital needs.

The following table sets forth a breakdown of our financial assets at fair value through profit or loss as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits, at fair value	—	—	54,000	—
Forward exchange agreement, at fair value	8	—	17	—
Forward exchange swap, at fair value	—	—	374	—
Total	8	—	54,391	—

After the Listing, our investments in financial assets at fair value through profit or loss will be subject to compliance with Chapter 14 of the Listing Rules.

Background of Entering into Foreign Currency Derivatives

To mitigate the currency risk arising from certain of our bank loans and trade receivables denominated in foreign currencies such as Japanese yen, we enter into foreign currency forward contracts and foreign currency option contracts with qualified banks in the PRC from time to time. We also enter into foreign exchange swaps contracts with banks to mitigate the risk of interest rate fluctuations arising from our bank loans at floating interest rates. Please see note 21 to the Accountants' Report set out in Appendix I to this prospectus. We do not enter into these transactions for speculative investment purposes.

In a typical foreign currency forward exchange agreement, one party agrees to buy from another party a certain amount of foreign currencies on a specific future date at a predetermined foreign exchange rate, in order to reduce the level of risks arising from foreign exchange fluctuations. In a typical foreign exchange option, the purchaser obtains the right, but not the obligation, to exchange currencies at a predetermined rate on or before a specified date. In a typical foreign exchange swap, two parties agree to exchange a specific amount in one currency for an equivalent amount in another currency initially, and then reverse the exchange at a future date at predetermined rates.

Treasury Policy

We have adopted a prudent financial management approach, and we strictly follow our internal fund management policies.

- *Cash Management:* We maintain reasonable cash to support our day-to-day operations and deploy short-term surplus funds in principal-protected bank financial products to optimize returns while safeguarding liquidity.

- *Investment Management:* Our investment activities are focused exclusively on managing foreign exchange risks through the use of forward foreign exchange contracts and foreign exchange swaps. Our investments are solely for risk mitigation purposes and not for speculation.

- *Governance and Internal Controls:* All treasury activities are conducted under our structured system of internal controls, including clear authorization levels and segregation of duties, to ensure compliance with internal control policies and mitigate financial risks.

By adhering to the aforementioned treasury principles, we have established a liquidity management framework that is designed to satisfy our capital requirements, uphold financial stability, manage risk exposures, and provide sufficient flexibility to respond to operational needs.

Foreign Exchange Risk Management Policy

We have implemented a comprehensive foreign exchange risk management policy with respect to foreign exchange forward contracts and/or foreign exchange swap contracts. Specifically,

- our policy follows risk-neutral principles, prioritizing natural risk mitigation through operational arrangements and settlement methods;

- foreign exchange derivative transactions shall align with our production and operational activities, and shall be limited to managing actual currency exposure from our business operations, not for speculation;

- all transactions must be conducted with approved financial institutions that possess relevant qualifications;

- our finance and security department identifies foreign exchange risk exposures and develops appropriate strategies, which require senior management approval; and
- we maintain structured internal controls with clear authorization levels and segregation of duties to ensure proper risk management.

Our approach to foreign exchange risk management is designed to provide protection against adverse currency movements while preserving operational flexibility.

Cash and Cash Equivalents and Restricted Cash and Time Deposits

Cash and Bank Balances

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our cash and bank balances amounted to RMB145.3 million, RMB129.8 million, RMB62.3 million and RMB197.0 million, respectively. The significant increase in our cash and bank balances as of June 30, 2025 was primarily attributable to (i) significant net proceeds from financing activities, including new long-term bank borrowings and capital contributions from a new round of equity financing; (ii) increased cash inflows from our operating activities, driven by business expansion and revenue growth; and (iii) the reclassification of restricted cash to cash and bank balances following the maturity of certain derivative contracts as mentioned below. Our cash and bank balances were primarily denominated in RMB, USD and Japanese yen. The RMB is not freely convertible into other currencies; however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale, and Payment of Foreign Exchange Regulations, We are permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank balances are deposited with creditworthy banks with no recent history of default.

Restricted Cash

We recorded restricted cash of RMB0.8 million, RMB0.5 million, RMB15.9 million and RMB0.9 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. These restricted cash were used as the margin for the foreign exchange derivatives purchased by us, which will become unrestricted after the derivatives reach maturity. The significant increase in restricted cash as of December 31, 2024 reflected the increased use of our internal cash resources as the margin for foreign exchange derivatives towards the end of 2024. The subsequent significant decrease in restricted cash as of June 30, 2025 was primarily due to the maturity of these foreign exchange derivative contracts during the period, which resulted in the full release of the corresponding margin deposits previously held at financial institutions.

The following table sets forth our cash and bank balances, restricted cash and time deposits as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	145,265	129,820	62,263	196,990
Time deposits	3,103	2,919	2,983	3,022
Restricted cash	824	510	15,917	900
	149,192	133,249	81,163	200,912
Less:				
Restricted cash[1]	(824)	(510)	(15,917)	(900)
Time deposits with original maturity over three months:				
— Current	(3,103)	(2,562)	(2,909)	(2,947)
Cash and cash equivalents	**145,265**	**130,177**	**62,337**	**197,065**

Note:

(1) As of December 31, 2022, 2023 and 2024 and June 30, 2025, the restricted cash of RMB824,000, RMB510,000, RMB15,917,000 and RMB900,000, respectively, was used as the guarantee deposits for the foreign exchange derivatives contracts purchased by us which will become unrestricted after the maturity of derivatives products.

Our Directors confirm that our cash and cash equivalents are maintained at a prudent level to satisfy the requirements for our daily business operations.

The continued decrease in our cash and bank balances as of December 31, 2022, 2023 and 2024, was mainly due to (i) our investments in inventory expansion to support our growing business; (ii) increased investments in product research and development; (iii) allocation of funds to invest in structured deposits to achieve higher returns; and (iv) increased restricted bank deposits to support our foreign exchange risk management activities.

Trade Payables

Our trade payables primarily consisted of amounts due to suppliers for the purchase of raw materials and components for our products. The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, the trade payables amounted to RMB27.7 million, RMB44.3 million, RMB28.6 million and RMB137.5 million, respectively. Our trade payables increased from RMB27.7 million as of December 31, 2022 to RMB44.3 million as of December 31, 2023, primarily attributable to (i) increased procurement volumes to support our business growth; and (ii) the extension of payment terms with our suppliers due to our enhanced purchasing volume and improved bargaining position, which resulted in higher trade payables balances at the end of 2024. Our trade payables decreased from RMB44.3 million as of December 31, 2023 to RMB28.6 million as of December 31, 2024, primarily due to changes in our procurement pattern, whereby we concentrated our inventory stocking activities in the first half of 2024 to accommodate our manufacturing lead times and internal logistics requirements, which resulted in the settlement of a significant portion of our trade payables to our suppliers before the end of 2024, which led to a decrease in trade payables as of December 31, 2024. Our trade payables increased from RMB28.6 million as of December 31, 2024 to RMB137.5 million as of June 30, 2025, primarily due to a significant and strategic increase in our procurement of raw materials. This inventory build-up was concentrated in the second quarter of 2025 in preparation for major promotional activities, including the Amazon Prime Day sales event in July. As these purchases were made close to the period end, a substantial portion of the corresponding payables remained outstanding as of June 30, 2025. This strategic adjustment in procurement timing enabled us to better meet the anticipated heightened year-end sales demand. For details of these core technologies, please refer to the section headed "Business — Seasonality" in this prospectus.

The following table sets forth the aging analysis of our trade payables, based on the transaction date as at the dates indicated:

	As of December 31,			As of June 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	27,563	44,078	28,258	137,208
Over 1 year	114	252	329	284
Total	**27,677**	**44,330**	**28,587**	**137,492**

The following table sets forth our trade and bills payables turnover days for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Trade payables turnover days(1)	60.9	58.0	45.2	83.5(2)

Note:

(1) The calculation of trade payables turnover days is based on the average of the opening balance and closing balance of trade payables for the relevant year/period divided by cost of sales and multiplied by the number of days in the relevant year/period.

(2) Our trade payables turnover days increased from 45.2 days in 2024 to 83.5 days for the six months ended June 30, 2025, primarily due to our strategic procurement and stocking of large quantities of raw materials for production toward the end of the first half of 2025 in preparation for Amazon Prime Day in July 2025.

Trade payables turnover days indicates the average time we take to make cash payments to suppliers.

As of October 31, 2025, RMB133.9 million, or 97.4%, of our trade payables as of June 30, 2025 had been subsequently settled.

Other Payables and Accruals

Our other payables and accruals mainly comprise payroll payables, other tax payables and other payables. The following tables set forth the breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payables	14,750	22,753	25,113	19,816
Other tax payables	3,135	4,630	7,900	11,195
Other payables	2,237	5,291	10,138	12,142
Payables for assets acquisition	—	—	—	16,083
Listing expenses payables	—	—	—	6,818
Total	**20,122**	**32,674**	**43,151**	**66,054**

Our other payables and accruals increased from RMB20.1 million as of December 31, 2022 to RMB32.7 million as of December 31, 2023, primarily due to (i) an increase in payroll payables of RMB8.0 million, primarily attributable to our expanded workforce and higher performance-based bonuses which are normally distributed after year-end; (ii) an increase in other tax payables of RMB1.5 million, primarily resulting from increased tax obligations corresponding to our business expansion; and (iii) an increase in other payables of RMB3.1 million, primarily related to increased accruals for marketing expenses, recruitment services and other expenses. Our other payables and accruals further increased from RMB32.7 million as of December 31, 2023 to RMB43.2 million as of December 31, 2024, primarily due to (i) an increase in payroll payables of RMB2.4 million, primarily due to further expansion of our workforce and increased performance bonuses; (ii) an increase in other tax payables of RMB3.3 million, primarily resulting from increased tax obligations corresponding to our business expansion; and (iii) an increase in other payables of RMB4.8 million, reflecting the continued growth in our operational scale and associated expenses. Our other payables and accruals increased from RMB43.2 million as of December 31, 2024 to RMB66.1 million as of June 30, 2025, primarily due to (i) the recognition of new payables related to strategic activities, including approximately RMB16.1 million for the acquisition of certain assets to advance our business expansion and RMB6.8 million for accrued expenses in connection with the Listing; and (ii) a continued increase in other tax payables and other operational payables in line with our business growth. This overall increase was partially offset by a decrease in payroll payables, which was mainly attributable to the settlement of year-end performance bonuses during the first half of 2025.

Other payables are non-interest-bearing and repayable on demand.

As of October 31, 2025, RMB32.5 million, or 49.1%, of our other payables and accruals as of June 30, 2025 had been subsequently settled.

Financial Liabilities at Fair Value through Profit or Loss

We recorded financial liabilities at fair value through profit or loss of RMB0.1 million, nil, RMB68,000 and RMB0.4 million as of December 31, 2022, 2023, and 2024 and June 30, 2025, respectively.

Contract Liabilities

Contract liabilities mainly represent prepayments received from customers for sales of goods before the performance obligations are satisfied. A contract liability is recognized when a payment is received, or a payment is due, whichever is earlier, from a customer before we transfer the related goods or services. Contract liabilities are recognized as revenue when we perform under the contract.

The following tables set forth the breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers				
Sales of goods	3,202	3,558	4,553	7,682
Total	**3,202**	**3,558**	**4,553**	**7,682**

Our contract liabilities remained relatively stable at RMB3.2 million as of December 31, 2022 and RMB3.6 million as of December 31, 2023 despite increased sales in 2023. Our contract liabilities increased from RMB3.6 million as of December 31, 2023 to RMB4.6 million as of December 31, 2024, which was generally consistent with the overall trend in our revenue growth during the same period. Our contract liabilities increased from RMB4.6 million as of December 31, 2024 to RMB7.7 million as of June 30, 2025, which was primarily attributable to a significant increase in advance payments received from customers through our self-operated website. As our contract liabilities primarily consist of payments for online orders for which goods have not yet been delivered to and accepted by customers, the increase in sales volume near the period end resulted in a correspondingly higher balance of contract liabilities as of June 30, 2025.

Provision

Our provision primarily consists of product warranty provision and refund liabilities. The following tables set forth the breakdown of our provision as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Product warranty provision(1)	5,763	12,828	18,171	20,119
Refund liabilities(2)	716	1,372	2,316	1,892
	6,479	14,200	20,487	22,011

Notes:

(1) We generally provide 12–24 months warranties to our customers on certain of our 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.

(2) Refund liabilities represent the obligation arising from right of return to refund some or all of the consideration received (or receivable) from a customer. We update our estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each year/period during the Track Record Period.

Our provision amounted to RMB6.5 million, RMB14.2 million, RMB20.5 million and RMB22.0 million as of December 31, 2022, 2023 and 2024 and June 30, 2025. The increase of provision during the Track Record Period was primarily due to the growth in our business operations and the corresponding increase in sales volume. In particular, the introduction of enhanced mobile robots in 2023 with more sophisticated features contributed to the higher provision amounts. As we expanded our product portfolio and customer base, we recognized increased provisions to account for our warranty obligations of 12 to 24 months and potential refund liabilities, which was estimated based on historical repair rates, return patterns and sales volumes, in accordance with our policies.

Certain Items of Non-current Assets and Non-current Liabilities

Property, Plant and Equipment

Our property, plant and equipment primarily consist of leasehold improvements, furniture and fixtures, and electronic equipment and others. We had property, plant and equipment of RMB10.3 million, RMB11.4 million, RMB21.7 million and RMB21.8 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively.

The increase in our property, plant and equipment from RMB10.3 million as of December 31, 2022 to RMB11.4 million as of December 31, 2023 was primarily due to additions of in machinery and equipment to expand our production capacity, partially offset by depreciation charges of RMB5.1 million. The increase in our property, plant and equipment from RMB11.4 million as of December 31, 2023 to RMB21.7 million as of December 31, 2024 was primarily due to additions of RMB19.9 million in machinery and equipment as we expanded our production capabilities. In particular, to support the launch of several new products during the year, we invested approximately RMB11.8 million in new molds for the production of our enhanced mobile robots. These additions were partially offset by depreciation charges of RMB9.6 million. Our property, plant and equipment remained relatively stable at RMB21.7 million and RMB 21.8 million as of December 31, 2024 and June 30, 2025, respectively.

Right-of-Use Assets

Our right-of-use assets represent our rights to use leased properties, primarily consisting of office spaces, R&D facilities, and manufacturing facilities. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our right-of-use assets amounted to RMB31.0 million, RMB46.9 million, RMB45.8 million and RMB39.3 million, respectively.

The increase in our right-of-use assets from RMB31.0 million as of December 31, 2022 to RMB46.9 million as of December 31, 2023 was primarily due to additions of RMB29.4 million for new lease agreements, including a new 10-year lease for our manufacturing facilities in Huizhou, Guangdong Province, partially offset by depreciation charges of RMB11.5 million. The decrease in our right-of-use assets from RMB46.9 million as of December 31, 2023 to RMB45.8 million as of December 31, 2024 was primarily due to depreciation charges of RMB11.0 million and a reduction of RMB7.1 million from terminating our Shenzhen factory leases as we consolidated our operations, partially offset by additions of RMB17.0 million for new lease agreements, including the expansion of our manufacturing facilities in Huizhou. The decrease in our right-of-use assets from RMB45.8 million as of December 31, 2024 to RMB39.3 million as of June 30, 2025 was primarily due to a lease modification, which resulted in a favorable rent reduction for our office premises as well as depreciation charges.

Intangible Assets

Our intangible assets primarily comprise capitalized R&D expenditures, trademarks and patents as well as intangible assets we acquire from time to time. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our intangible assets amounted to RMB1.7 million, RMB5.9 million, RMB9.4 million and RMB31.5 million respectively. Our intangible assets increased from RMB1.7 million as of December 31, 2022 to RMB5.9 million as of December 31, 2023, primarily due to the continued capitalization of development expenditures for our R&D projects. Our intangible assets further increased from RMB5.9 million as of December 31, 2023 to RMB9.4 million as of December 31, 2024, primarily due to (i) the continued capitalization of our development expenditures; and (ii) the acquisition of certain trademarks to support our R&D projects. Our intangible assets increased significantly from RMB9.4 million as of December 31, 2024 to RMB31.5 million as of June 30, 2025, primarily due to our acquisition of certain intangible assets as described below.

In June 2025, Woan Technology entered into an agreement with Yanyuan 45th Jia Technology Shenzhen Co., Ltd. ("Yanyuan"), an independent third party, pursuant to which, Woan Technology agreed to acquire certain assets primarily comprising technologies and trademarks from Yanyuan. The intangible assets acquired in connection with this transaction comprised six patent applications and two trademarks, with acquisition consideration (exclusive of value-added tax) of RMB23.5 million and RMB18,000, respectively. The patent applications acquired primarily relate to the design of sports robot component architecture, hardware structure and robot control technologies. Prior to this acquisition, we have been continuously investing in the research and development of the underlying technologies required for sports robots, and have possessed the core technological capabilities, including AI autonomous decision-making, visual algorithm control, and robot motion control. This acquisition further supplemented our patent reserves in the component architecture, hardware structure and motion control functions of sports robots, and will further support the technological development of such robots. Please refer to note 31 of the Accountant's Report as set out in Appendix I to this prospectus for further details.

SHARE CAPITAL AND TOTAL EQUITY

Pursuant to the shareholders subscription agreements entered into prior to Relevant Periods, on March 23, 2022 and May 26, 2025, our Company issued an aggregate of 1,390,789 ordinary shares (representing the number of shares before capitalisation of reserves) to the Pre-IPO investors at a total net cash proceed amounted to approximately RMB389.68 million (collectively the "Pre-IPO Investments"). Pursuant to the above agreements, the Pre-IPO Investors were granted by our Company with special rights which included redemption rights.

There was no exercise of redemption rights granted by our Company throughout the Relevant Periods.

On May 26, 2025, our Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by our Company to Pre-IPO investors have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period.

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

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

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	588,473	671,402	802,034
Total current liabilities	697,559	808,708	1,001,771
Net current liabilities	(402,794)	(508,807)	(633,776)
Net deficits	(379,947)	(475,001)	(604,529)

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

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial costs associated with the redemption financial liabilities	21,342	82,929	130,632	53,425	625,029
Total net losses	(108,325)	(99,305)	(133,706)	(67,066)	(597,126)
Basic and dilutive loss per share (expressed in RMB)	(0.96)	(0.85)	(1.14)	(0.57)	(3.66)

For details, see note 28 to the Accountants' Report set out in Appendix I to this prospectus.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period consisted of purchases of items of property, plant and equipment and intangible assets. Our capital expenditures were amounted to RMB9.3 million, RMB14.3 million, RMB23.2 million and RMB13.2 million for the year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. The table below sets forth the capital expenditures for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Purchases of items of property, plant and equipment	7,759	9,461	17,717	5,591
Purchase of intangible assets	1,527	4,877	5,514	148
Assets acquisition	—	—	—	7,500
Total	**9,286**	**14,338**	**23,231**	**13,239**

CAPITAL COMMITMENTS

The table below sets forth the capital commitments contracted for during the Track Record Period but not yet incurred:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for				
Purchase of items of property, plant and equipment	1,344	1,334	2,421	1,235

Capital commitments represent capital expenditure contracted for as of a particular date but not yet incurred. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our capital commitments amounted to RMB1.3 million, RMB1.3 million, RMB2.4 million and RMB1.2 million, respectively.

INDEBTEDNESS

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank loans	40,207	30,200	106,264	98,659	73,150
Lease liabilities	34,826	53,106	51,917	45,160	60,863
Balances due to related parties	16	16	16	—	—
Total	75,049	83,322	158,197	143,819	134,013

Interest-bearing Bank Loans

We recorded interest-bearing bank loans of RMB40.2 million, RMB30.2 million, RMB106.3 million, RMB98.7 million and RMB73.2 million as of December 31, 2022, 2023 and 2024, June 30, 2025 and October 31, 2025, respectively.

The table below sets forth a break down of our interest-bearing bank loans as of the dates indicated:

	As of December 31,									As of June 30,			As of October 31,		
	2022			2023			2024			2025			2025		
	Effective Interest Rate (%)	Maturity	RMB'000	Effective Interest Rate (%)	Maturity	RMB'000	Effective Interest Rate (%)	Maturity	RMB'000	Effective Interest Rate (%)	Maturity	RMB'000	Effective Interest Rate (%)	Maturity	RMB'000
Current:															
Bank loans — secured[1]							2.90–3.00	January 2025–April 2025	62,771	—	—	—	—	—	—
Bank loans — factored trade receivables[2]	1.08	2023	40,207	0.98	2024	30,200	1.75	2025	24,479	2.26	2025	23,635	—	—	—
Current portion of long-term bank loans — secured[3]			—			—	2.6	December 2024–September 2025	4,000	2.24–2.60	September 2025–June 2026	14,303	2.24–2.35	December 2025–September 2026	10,410
Total — current			40,207			30,200			91,250			37,938			10,410
Non-current:															
Bank loans — secured[3]			—			—	2.6	August 2026	15,014	2.24–2.60	August 2026–March 2027	60,721	2.24	December 2026–October 2027	62,740
Total — non-current			—			—			15,014			60,721			62,740
Total			40,207			30,200			106,264			98,659			73,150

Notes:

(1) The loan is guaranteed by our Company and Mr. Li Zhichen, including (i) RMB38,832,000 that was guaranteed by our Company as of December 31, 2024 and the guarantee has been released along with the maturity of the relevant loan during the six months ended June 30, 2025; and (ii) RMB23,939,000 was guaranteed by our Company and Mr. Li Zhichen as of December 31, 2024 on a joint and several basis. This guarantee has been released along with the maturity of the loan during the six months ended June 30, 2025.

(2) It represented the liabilities related to the transferred trade receivables under the factoring arrangement that were not derecognized as of the end of each year/period during the Track Record Period. The loan is guaranteed by our Company, Mr. Li Zhichen and Mr. Pan Yang on a joint and several basis. Such guarantee is expected to be released on or before the Listing.

(3) The loan is guaranteed by our Company and Mr. Li Zhichen on a joint and several basis. Such guarantee is expected to be released on or before the Listing.

As of October 31, 2025, we had unutilized banking facilities of RMB289.9 million, among which RMB146.6 million were committed.

Lease Liabilities

Our lease liabilities primarily relate to the leases of offices, R&D facilities, and manufacturing sites. During the Track Record Period, we entered into certain long-term lease contracts for buildings which generally have lease terms between two to 10 years.

We recorded lease liabilities of RMB34.8 million, RMB53.1 million, RMB51.9 million, RMB45.2 million and RMB60.9 million as of December 31, 2022, 2023 and 2024, June 30, 2025 and October 31, 2025, respectively. The following table sets forth a summary of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current[1]	11,270	12,344	11,641	7,945	10,500
Non-current[2]	23,556	40,762	40,276	37,215	50,363
Total	**34,826**	**53,106**	**51,917**	**45,160**	**60,863**

Notes:

(1) Lease liabilities payable within one year.

(2) Lease liabilities payable within a period of more than one year.

Our lease liabilities increased from RMB34.8 million as of December 31, 2022 to RMB53.1 million as of December 31, 2023, primarily due to new lease agreements totaling RMB29.4 million, including the 10-year manufacturing facilities lease in Huizhou. Our lease liabilities decreased from RMB53.1 million as of December 31, 2023 to RMB51.9 million as of December 31, 2024, primarily due to regular lease payments and early termination of certain lease agreements as we consolidated our operations. Our lease liabilities decreased from RMB51.9 million as of December 31, 2024 to RMB45.2 million as of June 30, 2025, primarily due to (i) regular lease repayment; and (ii) a downward adjustment of the lease liabilities for our office premises resulting from a lease modification which reduced our rental for the premises. Our lease liabilities increased from RMB45.2 million as of June 30, 2025, to RMB60.9 million as of October 31, 2025, primarily because we entered into one additional lease and extended the terms of certain existing leases during the period.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Statement of Indebtedness

Except as disclosed under the section headed "— Indebtedness", as of October 31, 2025, being the latest practicable date for determining our indebtedness, we did not have any debt securities or loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness and contingent liabilities since October 31, 2025 except as disclosed under "— Indebtedness" and "— Contingent Liabilities" in this section.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, we did not have any unrecorded significant contingent liabilities, guarantees or any litigation against us. As of the Latest Practicable Date, we did not have any material contingent liabilities guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, financial risk or credit support for us. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, other than the compensation to our key management personnel, we had certain related party transactions with our key management personnel, details of which are set out in note 35 to the Accountants' Report in Appendix I to this document. Our Directors are of the view that the related party transactions were conducted at arm's length and on normal commercial terms and/or that such terms were no less favorable to us than terms available from Independent Third Parties which are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as at the dates and for the periods indicated:

	As of/for the year ended December 31,			As of/ for the six months ended June 30,
	2022	2023	2024	2025
Profitability ratios				
Revenue growth rate (%)[(1)]	N/A	66.5	33.4	44.1
Gross profit growth rate (%)[(2)]	N/A	144.9	36.9	54.7
Gross profit margin (%)[(3)]	34.3	50.4	51.7	54.2
Net (loss)/profit margin (%)[(4)]	(31.7)	(3.6)	(0.5)	7.0
Adjusted EBITDA margin (%) (a non-IFRS measure)[(5)]	(25.2)	1.3	4.3	13.7
Liquidity ratio				
Current ratio[(6)]	2.7	2.2	1.8	2.0
Capital ratio				
Gearing ratio[(7)]	0.5	0.6	1.0	0.7

Notes:

(1) Revenue growth rate is calculated based on revenue growth for the relevant year/period divided by revenue for the previous year/period and multiplied by 100%.

(2) Gross profit growth rate is calculated based on gross profit growth for the relevant year/period divided by gross profit for the previous year/period and multiplied by 100%.

(3) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(4) Net loss/profit margin is calculated based on loss/profit and total comprehensive income for the year/period attributable to our equity shareholders divided by revenue and multiplied by 100%.

(5) Adjusted EBITDA margin (non-IFRS measure) is calculated based on adjusted EBITDA (non-IFRS measure) divided by revenue and multiplied by 100%.

(6) Current ratio is calculated based on total current assets divided by total current liabilities as of the end of the relevant year/period.

(7) Gearing ratio equals total debts at the end of the year/period divided by total equity at the end of the year/period.

Profitability Ratios

See "Results of Operation" in this section for details on our profitability ratios.

Current Ratio

Our current ratio decreased from 2.7 as of December 31, 2022 to 2.2 as of December 31, 2023, primarily due to (i) an increase in trade payables; (ii) an increase in other payables and accruals; and (iii) an increase in provision for product warranties, which collectively resulted in our current liabilities growing at a faster rate than our current assets. Our current ratio further decreased from 2.2 as of December 31, 2023 to 1.8 as of December 31, 2024, primarily due to (i) a significant increase in interest-bearing bank loans; (ii) a substantial decrease in cash and cash equivalents; and (iii) continued growth in our provision for product warranties, while our inventory levels substantially increased. Our current ratio increased from 1.8 as of December 31, 2024 to 2.0 as of June 30, 2025, primarily due to (i) an increase in inventories, (ii) an increase in trade receivables; and (iii) a significant increase in cash and cash equivalents, which collectively resulted in our current assets growing at a faster rate than our current liabilities.

Gearing Ratio

Our gearing ratio remained relatively stable at 0.5 and 0.6 as of December 31, 2022 and 2023, respectively. Our gearing ratio increased from approximately 0.6 as of December 31, 2023 to approximately 1.0 as of December 31, 2024, primarily due to (i) a substantial increase in interest-bearing bank loans to fund our business growth; and (ii) relatively stable total equity. Our gearing ratio decreased from approximately 1.0 as of December 31, 2024 to approximately 0.7 as of June 30, 2025, primarily due to our total equity growing at a faster rate than our total debts as a result of our continued financing activities.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain financial risks including foreign currency risk, credit risk and liquidity risk in the normal course of business. For further details of our financial risk management, please refer to the note 38 to the Accountants' Report set out in Appendix I to this prospectus.

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period. We currently do not have a dividend policy. There is no expected or pre-determined dividend payout ratio after the Listing. According to the Company Law, a company is only permitted to distribute after-tax profits after it has fully made up for prior years' losses. As advised by our PRC Legal Advisers, we are not permitted to pay or declare any dividends until such accumulated losses have been fully covered. However, we may make up accumulated losses with capital surplus or by capital reduction. Once our Company becomes steadily profitable and achieves positive operating cash flow, we will consider implementing a dividend policy, which will be subject to a number of factors, including our revenue and profit, financial position, cash requirements, business plans, future prospects, prevalent market conditions, statutory and regulatory restrictions, and other factors that our Board may deem relevant. The payment and the amount of any future dividends will be at the discretion of our Board. Holders of our Shares will be entitled to receive such dividends pro rata according to the amounts paid up on our Shares. The dividend policy, once implemented, will be reviewed by our Board from time to time.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our total listing expenses (including underwriting commission) will be approximately RMB86.4 million (equivalent to HK$95.1 million). The estimated listing expenses of approximately RMB34.2 million are expected to be charged to our consolidated statements of profit or loss for the year ending 2025, and the remaining listing expenses of approximately RMB52.2 million are expected to be deducted from equity upon Listing. The listing expenses are expected to consist of RMB55.8 million for underwriting fees, sponsor fees and listing application fees, and RMB30.6 million for non-underwriting-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB15.8 million and other fees and expenses of RMB14.8 million).

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which 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 June 30, 2025, being the date on which our latest audited consolidated financial statements were prepared, and there is no event since June 30, 2025 which would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULE 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as at 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.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

Please refer to Appendix II "Unaudited Pro Forma Financial Information" to this document for details.

The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets of our Group attributable to owners of our Company had the Global Offering been completed as at June 30, 2025 or at any future date.

	Consolidated Net Tangible Assets Attributable to Owners of Our Company as of June 30, 2025(1)	Estimated Net Proceeds from the Global Offering(2)(4)	Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets Attributable to Owners of Our Company as of June 30, 2025	Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets Attributable to Owners of Our Company per Share as of June 30, 2025(3)(4)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an Offer Price of HK$63.00 per Share	259,592	1,201,471	1,461,063	6.57	7.23
Based on an Offer Price of HK$72.00 per Share	259,592	1,378,637	1,638,229	7.37	8.11
Based on an Offer Price of HK$81.00 per Share	259,592	1,555,804	1,815,396	8.17	8.99

Notes:

(1) The consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 were equal to the audited net assets attributable to owners of our Company as of June 30, 2025 of RMB291,101,000 after deducting of intangible assets of RMB31,509,000 as of June 30, 2025 set out in the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$63.00, HK$72.00 or HK$81.00 per Share, after the deduction of the underwriting fees and other related expenses payable by our 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 shares which may be issued upon exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 22,222,300 H Shares will be issued pursuant to the Global Offering and 200,000,000 Unlisted Shares will be converted into H Shares assuming the Global Offering have been completed on June 30, 2025 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by our Company.

(4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into RMB at an exchange rate of HK$1.00 to RMB0.90862 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company per Share is converted from RMB into Hong Kong dollars at the same exchange rate. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to June 30, 2025.

(6) No dividend was paid or declared by our Company subsequent to June 30, 2025 and up to the Latest Practicable Date.

FUTURE PLANS

See the section headed "Business — Our Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering, will be approximately HK$1,504.9 million, assuming an Offer Price of HK$72.0 per H Share (being the mid-point of the indicative range of the Offer Price of HK$63.0 to HK$81.0 per H Share), and that the Over-allotment Option is not exercised.

We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below:

1. Approximately HK$1,000.1 million, representing approximately 66.5% of the net proceeds of the Global Offering will be used to continuously enhance our R&D capabilities to further develop the key technologies relating to and products within our home robotic systems.

(a) R&D of Key Technologies and Products

Approximately HK$775.1 million, representing approximately 51.5% of the net proceeds of the Global Offering, will be used to fund the R&D of certain key technologies and products. Details are set out below:

Key Technologies/ Products	R&D Focus	Intended Benefits and Applications	Estimated Completion Time	Estimated Cost
				(HK$ in million)
Advanced robot positioning technology	Development of robot positioning and environmental perception capabilities, including: (i) 3D map fusion technology for integrating maps created by multiple robots; (ii) 3D occupancy grid map construction for robot 3D obstacle avoidance; and (iii) 3D spatial object motion prediction for anticipating movement in three-dimensional spaces, enabling robots to avoid obstacles in dynamic scenarios.	This technology is intended to be applied to our future execution-enhanced robot categories, including humanoid chore robots and AI companion robots, enabling more efficient and precise task handling and movement in three-dimensional spaces.	2028	138.5

Key Technologies/ Products	R&D Focus	Intended Benefits and Applications	Estimated Completion Time	Estimated Cost
				(HK$ in million)
Advanced AI machine vision control technology and edge computing technology	Development of edge computing and inference capabilities, including: (i) vision-based object perception, behavior perception, scene perception, and intent perception technologies for deeper environmental understanding; (ii) large language model-based reasoning and prediction technologies to enable AI to make decisions based on anticipated scenarios; and (iii) optimization and local deployment of vision-language models with corresponding hardware development to process visual information and natural language instructions in home environments and generate appropriate action triggers.	This technology is intended to be applied to our current and future products, including SwitchBot AI hubs and AI companion robots, enabling local deployment of vision-language models that can support over 100 household vision-language tasks, while better protecting user privacy and improving operational efficiency through edge computing.	2028	141.6
VLA (Vision-Language-Action) model-based humanoid chore robot	Development of a humanoid chore robot based on VLA models that integrate perception, language understanding, and action execution in an end-to-end system. The robot will perceive its environment through multimodal sensors and uses semantic understanding to parse natural language instructions into executable tasks. The robot will support semantic navigation, enabling it to move autonomously based on constructed semantic maps and make multimodal decisions in complex scenarios, with sensor-based closed-loop feedback for adjusting actions in dynamic environments.	This technology is intended to be applied to humanoid chore robot, enabling them to complete various household tasks, such as organizing items, delivering objects, and folding clothes.	2028	359.7

Key Technologies/ Products	R&D Focus	Intended Benefits and Applications	Estimated Completion Time	Estimated Cost
				(HK$ in million)
Cost-effective robotic grasping/ manipulation for household tasks	Development of cost-effective robotic grasping and manipulation technologies for household tasks, including: (i) mechanical arm and dexterous hand joint module projects suitable for home scenarios, involving dual encoders, frameless torque motors, gearboxes and control systems; (ii) motion control algorithms for mechanical arms, including parameter identification, dynamics, kinematics, and compliant mechanical arm algorithms; (iii) closed-loop control algorithms for mechanical arms based on cameras and depth sensors, including feedback algorithms; and (iv) household task execution algorithms based on vision-language-action models, including Transformer and Diffusion Policy-based mechanical arm trajectory planning, reinforcement learning-based trajectory tracking, and dexterous hand control algorithms.	This technology is intended to be applied to our current and future execution-enhanced robot products, including humanoid chore robots mentioned above, making them suitable for home use scenarios while remaining cost-efficient.	2028	135.3

(b) Establishment of High-Standard Robotic Data Acquisition Facility

Approximately HK$180.4 million, representing approximately 12.0% of the net proceeds of the Global Offering, will be used to establish a high-standard robotic data acquisition factory dedicated to the iterative optimization of our VLA models. This facility will simulate diversified household environments and will be used to systematically collect and annotate large-scale, multi-task real-machine operation data, with a view to building high-quality, scenario-based datasets, significantly enhancing the generalization capability and intelligence level of our robots in executing tasks and providing core data support for algorithm training. The facility is expected to be fully deployed over a period of approximately three years and will be developed in phases. We expect the facility to commence initial operation by the end of 2026. Upon full deployment, the facility is expected to support simulations of approximately 500 standardized household units and parallel data collection and training by approximately 1,000 home robotic systems devices, thereby forming large-scale, efficient "data flywheel" infrastructure for the continual iteration and optimization of our VLA models.

(c) Establishment of New R&D Centers

Approximately HK$44.6 million, representing approximately 3.0% of the net proceeds of the Global Offering, will be used to establish R&D centers in mainland China and Hong Kong. Specifically, we plan to implement a dual-base operational model of our R&D centers: (i) the Hong Kong Base: We plan to lease a property near leading innovation hubs such as Hong Kong University of Science and Technology. This base will leverage global talent advantages for frontier embodied robotics control algorithm research, including VLA algorithms, imitation learning algorithms, reinforcement learning algorithms, and Sim2Real technologies. It will also be used to explore new robotic application domains, develop and implement algorithms for more household scenarios, construct embodied robot operation datasets, and create a virtuous cycle of algorithm iteration and scenario application through a self-contained data system, forming a powerful data flywheel effect; and (ii) the mainland China collaborative base: We plan to lease a property adjacent to top-tier academic clusters. This base will focus on utilizing domestic university resources, engineering talents, and supply chain synergies, with investments directed towards the industrialization of artificial intelligence and low-cost design research. This base will deploy industrial-grade validation equipment to accelerate technology commercialization. We expect to complete the establishment of these R&D bases in mainland China and Hong Kong before the end of 2026.

2. Approximately HK$297.4 million, representing approximately 19.8% of the net proceeds of the Global Offering, will be used for the expansion of our sales channels and geographic coverage and enhance our brand awareness globally. Specifically, we plan to:

(a) Enhance Our Presence in Certain Existing Key Markets

Approximately HK$129.2 million, representing approximately 8.6% of the net proceeds of the Global Offering, will be used to expand our sales channels and market presence in our existing markets, including Japan, Europe, and North America. For (i) the Japanese market, we intend to strengthen our market leading position in Japan and increase penetration of our home robotic systems through (a) enhancing online platforms, including, among others, Amazon, with increased advertising and optimized flagship store operations. We plan to designate dedicated management teams to improve our operational efficiency, implement detailed advertising evaluation mechanisms to optimize advertising performance, and carry out promotional activities to increase brand visibility; (b) introducing extended warranties and insurance services to improve customer retention; (c) expanding offline presence through strategic in-store displays and engagement of offline professional sales staff; and implementing targeted subway advertising campaigns in Tokyo, Osaka and other major cities; and (d) optimizing our supply chain to improve maintenance efficiency and reduce product return costs; (ii) the European market, we plan to increase awareness and gain market leadership in this fast-growing region through (a) the deployment of targeted advertising campaigns on Instagram, YouTube and other platforms to reach specific demographic groups across multiple countries with products tailored to local preferences; and (b) improving after-sales service efficiency to enhance customer experience. We plan to deploy advanced AI-powered customer service solutions, integrate enterprise resource planning systems to streamline our operations and reduce manual processing, and establish localized service teams to improve response times and enhance the overall customer experience; and (iii) the North American market, we plan to (a) increase digital advertising on Google and Facebook platforms; (b) enhance search engine optimization for our self-operated website to improve visibility and organic traffic; and (c) collaborate with established technology bloggers for product reviews and demonstrations.

(b) Brand Promotion and Marketing Activities

Approximately HK$76.2 million, representing approximately 5.1% of the net proceeds of the Global Offering, will be used for brand promotion and marketing activities to raise our brand awareness. Specifically, we plan to establish (i) offline experience stores in strategic commercial locations so end consumers can obtain first-hand experience on our products; (ii) develop scenario-based content marketing and creating and distributing branded video advertisements; (iii) sponsor industry exhibitions and localized community events that introduce and promote the concepts of "efficient and intelligent life" (高效智能生活) and "robots improving home living" (機器人改善家庭生活); and (iv) expand influencer collaborations beyond technology to lifestyle and home security sectors.

With respect to our plan to establish offline experience stores, we intend to (i) leverage our existing retailer channels by adopting a shop-in-shop or in-store experience zone model. For example, we may set up in-store experience zones leveraging our current products' presence in retail stores, upgrade the current display formats, and assign dedicated personnel to provide on-site product demonstrations and consultations as needed; and (ii) establish standalone flagship experience stores, which will be staffed with dedicated personnel to oversee their operations. These flagship stores will serve as benchmarks for nearby shop-in-shop experience zones, providing a reference model for enhancing offline retail performance.

We plan to open 50 to 100 shop-in-shops or in-store experience zones, as well as two flagship stores within the next one to two years. We plan to open such shop-in-shops in high-traffic areas or high-sales-rate districts of tier-one cities across our key markets, including Japan, Europe, and North America. Additionally, we plan to open our flagship stores in Tokyo and Osaka in Japan. Our site selection will generally be based on a comprehensive evaluation of key criteria, including, among others, geographic positioning, alignment with target customer segments, sales efficiency per square meter, and the capacity to achieve effective regional market coverage. These stores are intended to be permanent, assuming operations proceed smoothly.

In terms of the implementation timeline, (i) for flagship stores, we expect to complete site selection evaluation and design planning between the fourth quarter of 2025 and the first quarter of 2026, with official operations commencing in 2026; and (ii) for shop-in-shops or in-store experience zones, we anticipate completing the related renovation and upgrade work in 2026 and 2027.

(c) Enhancement of Retail and Distribution Channels

Approximately HK$47.4 million, representing approximately 3.1% of the net proceeds of the Global Offering, will be used to enhance our retailer and distribution channels by launching dedicated experience areas with limited-time promotions in existing retailer channels and expanding partnerships with first-tier retail and distribution channels to increase mainstream store coverage.

(d) Strengthening Sales in Other Emerging Markets

Approximately HK$44.6 million, representing approximately 3.0% of the net proceeds of the Global Offering, will be used to develop sales in certain emerging markets such as Hong Kong and Australia, focusing on regions with substantial middle-class populations, aging demographic challenges, and relatively high labor costs.

3. Repayment of Outstanding Bank Loans

Approximately HK$56.9 million, representing approximately 3.8% of the net proceeds of the Global Offering, will be used to repay a portion of our outstanding term loan with (i) China CITIC Bank bearing an annual interest rate of 2.24%, which will be due for repayment in installments on December 21, 2025, June 21, 2026, December 21, 2026 and March 30, 2027; and (ii) Bank of China bearing an annual interest rate of 2.24%, which will be due in installments on March 21, 2026, September 21, 2026, March 21, 2027, September 21, 2027, September 30, 2027 and December 2, 2027. We believe utilizing the net proceeds to repay these loans will help us save interest costs, optimize our capital structure, and improve our overall financial position.

4. General Working Capital

Approximately HK$150.5 million, representing approximately 10.0% of the net proceeds of the Global Offering, will be used for general working capital and corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed below or above the mid-point of the indicative price range. If the Offer Price is set at HK$81.0 per H Share, which is the high end of our indicative Offer Price range, the net proceeds from the Global Offering will increase by approximately HK$195.0 million. If the Offer Price is set at HK$63.0 per H Share, which is the low end of our indicative Offer Price range, the net proceeds from the Global Offering will decrease by approximately HK$195.0 million. In the event that the Over-allotment Option is exercised in full, we will receive net proceeds of HK$1,735.9 million (after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering and assuming an Offer Price of HK$72.0 per H Share, being the mid-point of our indicative Offer Price range).

The net proceeds will be used in the same proportions as disclosed under this section irrespective of: (i) whether the Offer Price is determined at the highest or lowest point of the indicative Offer Price range and (ii) whether the Over-allotment Option is exercised.

To the extent that the net proceeds are not immediately applied to the above purposes, we will only deposit the net proceeds into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited
Huatai Financial Holdings (Hong Kong) Limited
China Galaxy International Securities (Hong Kong) Co., Limited
BOCI Asia Limited
Futu Securities International (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering initially 2,222,300 Hong Kong Offer Shares (subject to reallocation) for subscription by way of Hong Kong Public Offering at the Offer Price on and subject to the terms and conditions of this prospectus.

Subject to various conditions, which include, but without limitation, the Stock Exchange granting listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned herein including any additional H Shares which may be made available pursuant to any exercise of the Over-allotment Option and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally, but not jointly or jointly and severally to subscribe or procure subscriptions for their respective applicable proportions of the Hong Kong Offer Shares which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not subsequently having been terminated.

Grounds for Termination

The Joint Sponsors and the Overall Coordinators, at their sole and absolute discretion, may, for themselves and on behalf of the Hong Kong Underwriters, upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if any of the following events occurs at or prior to 8:00 a.m. on the Listing Date:

(1) there has come to the notice of the Joint Sponsors and/or the Overall Coordinators:

(i). that any statement contained in any Offer Documents (as defined in the Hong Kong Underwriting Agreement), any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Global Offering pursuant to the applicable rules and requirements of the

CSRC (the "CSRC Filings") and/or any notices, announcements, advertisements, communications or other documents in connection with the Global Offering (including any supplement or amendments thereto) (collectively, the "Relevant Documents") was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete, misleading or deceptive in any respect or that any forecast, expression of opinion, intention or expectation expressed in any of the Relevant Documents is not in the sole and absolute opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), fair and honest and based on reasonable assumptions, when taken as a whole; or

(ii). that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission therefrom; or

(iii). any breach of any of the obligations imposed or to be imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplemental or amendment thereto, as applicable) (in each case, other than on the part of any of the Underwriters); or

(iv). any event, act or omission which gives or is likely to give rise to any material liability of any of our Company, Mr. Li, Mr. Pan and Wonder Innovation ESOP (the "Warrantors") pursuant to the Hong Kong Underwriting Agreement; or

(v). any change or development involving a prospective adverse change constituting or having a material adverse effect in the assets, liabilities, general affairs, management, business prospects, shareholders' equity, profits, losses, results of operations, position or conditions (financial, trading or otherwise) or performance of our Group, taken as a whole; or

(vi). any breach of, or any event or circumstance rendering untrue or incorrect in any respect, any of the representations, warranties, agreements and undertakings given by the Warrantors; or

(vii). the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares (including any additional H Shares that may be issued upon the exercise of the Over-allotment Option) is refused or not granted, or is qualified (other than subject to customary conditions), on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(viii). our Company withdraws any of the Relevant Documents or the Global Offering; or

(ix). any person (other than the Joint Sponsors) has withdrawn or sought to withdraw its consent to being named in this prospectus or to the issue of any of this prospectus; or (x). a prohibition on our Company for whatever reason from allotting, issuing or selling the Offer Shares and/or the Over-allotment Shares pursuant to the terms of the Global Offering; or

(xi). that a petition or an order is presented for the winding-up or liquidation of any a member of our Group ("Group Company") or any Group Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or

(xii). a material portion of the orders in the bookbuilding process or any material investment commitment by any cornerstone investors after signing of agreements with such cornerstone investors, have been withdrawn, terminated or cancelled; or

(xiii). any executive Director is vacating his or her office, is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company or there is the commencement by any governmental authority of any investigation or other action against any executive Director in his or her capacity as such or any member of our Group or an announcement by any governmental authority that it intends to commence any such investigation or take any such action

(2) there shall develop, occur, exist or come into effect:

(i). any local, national, regional, international event or circumstance, or series of events or circumstances, beyond the reasonable control of the Underwriters (including, without limitation, any acts of government or orders of any courts, strikes, calamity, crisis, lock-outs, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, acts of terrorism, declaration of a local, regional, national or international emergency, riot, public disorder, economic sanctions, outbreaks of diseases, pandemics or epidemics (including, without limitation, Severe Acute Respiratory Syndrome, avian influenza A (H5N1), Swine Flu (H1N1), H7N9, Middle East Respiratory Syndrome, coronavirus or such related or mutated forms) or interruption or delay in transportation) in or affecting the PRC, Hong Kong, Singapore, the United States, the United Kingdom, the European Union (or any member thereof), Japan, or any other jurisdiction relevant to any member of our Group (the "Relevant Jurisdiction"); or (ii). any change or development involving a prospective change, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change, in any local, regional, national, international, financial, economic, political, military, industrial, fiscal, legal regulatory, currency, credit or market conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any Relevant Jurisdictions; or

(iii). any moratorium, suspension or restriction on trading in securities generally (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on the Stock Exchange, the New York Stock Exchange, the London Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange and the Tokyo Stock Exchange; or

(iv). any new laws, or any change or development involving a prospective change in existing laws, or any event or circumstance or series of events or circumstances likely to result in any change or development involving a prospective change in the interpretation or application of existing laws by any court or other competent authority, in each case, in or affecting any Relevant Jurisdiction; or

(v). any general moratorium on commercial banking activities, or any disruption in commercial banking activities, foreign exchange trading or securities settlement or clearance services or procedures or matters, in or affecting any Relevant Jurisdiction; or

(vi). the imposition of economic sanctions, in whatever form, or the withdrawal of trading privileges, directly or indirectly, by, or for, any Relevant Jurisdiction on our Group; or

(vii). a change or development involving a prospective change in or affecting taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment laws (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a fluctuation in the exchange rate of the Hong Kong dollar or the Renminbi against any foreign currency) in or affecting any of the Relevant Jurisdictions or affecting an investment in the H Shares; or

(viii). any change or development involving a prospective change in, or a materialisation of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or (ix). any litigation or claim of any third party being threatened or instigated against any Group Company, any of our Controlling Shareholders or any Directors or senior management of our Company; or

(x). any contravention by any member of our Group or any Director of any applicable laws, the Listing Rules or the applicable rules of CSRC; or

(xi). any loss or damage has been sustained by any Group Company (howsoever caused and whether or not the subject of any insurance or claim against any person) which is considered by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to be material; or

(xii). the commencement by any governmental, regulatory or political body or organisation of any action against an executive Director in his or her capacity as such or an announcement by any governmental, regulatory or political body or organisation that it intends to take any such action; or

(xiii). non-compliance of this prospectus, the CSRC Filings and the other Relevant Documents or any aspect of the Global Offering with the Listing Rules or any other laws applicable to the Global Offering; or

(xiv). the issue or requirement to issue by our Company of a supplement or amendment to this prospectus and/or any other Relevant Documents pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules or any requirement or request of the Stock Exchange, the CSRC and/or the SFC; or

(xv). any valid demand by any creditor for repayment or payment of any indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity;

which in each case individually or in aggregate at the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i). has or is or will or may or could be expected to have a material adverse effect on the assets, liabilities, business, general affairs, management, shareholders' equity, profits, losses, results of operation, financial, trading or other condition or position or prospects or risks of our Group as a whole; or (ii). has or will or may have a material adverse effect on the success, marketability or pricing of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or

(iii). makes or will make or may make it inadvisable, inexpedient or impracticable for any part of the Hong Kong Underwriting Agreement or the Global Offering to be performed or implemented or proceeded with as envisaged or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and manner contemplated by the Offering Documents shall otherwise result in an interruption to or delay thereof; or

(iv). has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

By Our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (the "First Six-Month Period") (whether or not such issue of H Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option), or any of the circumstances prescribed by Rule 10.08 of the Listing Rules.

By our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to us and to the Stock Exchange that he or it shall not and shall procure that the relevant registered holder(s) controlled by him or it shall not, either directly or indirectly:

(a) in the period commencing on the date by reference to which disclosure of his or its shareholdings in our Company is made in this prospectus and during the First Six-Month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of our securities that he/it is shown to beneficially own in this prospectus (the "Relevant Shares"); or

(b) in the period of a further six months commencing on the date on which First Six-Month Period expires (the "Second Six-Month Period"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company or a member of a group of the Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be controlling shareholders (as defined in the Listing Rules).

Each of our Controlling Shareholders has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will and will procure that the relevant registered holder(s) will:

(a) when he or it pledges or charges any securities in our Company beneficially owned by it/him in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when he or it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by him or it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and subject to the then requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with the Listing Rules as soon as possible.

Undertakings to the Hong Kong Underwriters

Pursuant to the Hong Kong Underwriting Agreement, our Company and our Controlling Shareholders have undertaken as follows.

Undertakings by Our Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option), during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date of the expiry of the First Six-Month Period, our Company has undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the

Capital Market Intermediaries not to, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i). allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, 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 any pledge, charge, lien, mortgage, option, restriction, right of first refusal, equitable right, power of sale, hypothecation, retention of title, security interest, claim, pre-emption rights, equity interest, third party rights or interests or rights of the same nature as that of the foregoing or other encumbrances or security interest of any kind or another type of preferential arrangement (including without limitation, retention arrangement) having similar effect ("Encumbrance") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of 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 other warrants or other rights to purchase, any Shares), or deposit any Shares or other securities of our Company, with a depositary in connection with the issue of depositary receipts; or repurchase any Shares or other securities of our Company, or

(ii) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or other securities of our 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 Shares or other securities of our Company); or

(iii) enter into any transaction with the same economic effect as any transactions specified in paragraphs (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of Company or shares or other securities of any other Group Company, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-Month Period);

In the event that, during 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 announces any intention to effect any such transaction, Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in any Shares or other securities of our Company.

Undertakings by Our Controlling Shareholders

Each of our Controlling Shareholders hereby jointly and severally undertakes to each of our Company, the Joint Sponsors, the Joint Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) at any time during the First Six-Month Period, it/he shall not, and shall procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him (together, the "Controlled Entities") shall not, (a) allot, issue, sell, offer to allot, issue, sell, contract or agree to allot, issue, sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to allot, issue, 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 Shares or other securities of 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 Shares) beneficially owned by it/him directly or indirectly through its Controlled Entities (the "Relevant Securities"), or deposit any Relevant Securities with a depositary in connection with the issue of depositary receipts; or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Securities; (c) enter into or effect any transaction with the same economic effect as any of the transactions referred to in sub-paragraphs (a) or (b) above; or (d) offer to or agree to or announce any intention to enter into or effect any of the transactions referred to in sub-paragraphs (a), (b) or (c) above, in each case whether any of the foregoing transactions referred to in sub-paragraphs (a), (b) or (c) is to be settled by delivery of Shares or any other securities of Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);

(2) it/he will not at any time during the Second Six-Month Period, enter into any of the transactions specified in paragraph(1) above or offer to or agree to or 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/he together with other Controlling Shareholders will cease to be a "controlling shareholder" (as the term is defined in the Listing Rules) of our Company;

(3) in the event that it/he enters into any of the transactions specified in paragraph (1) above or offer to or agrees to or announce any intention to effect any such transaction until the expiry of the Second Six-Month Period, it/he shall take all reasonable steps to ensure that it/he will not create a disorderly or false market for any Shares or other securities of our Company; and

(4) it/he shall, and shall procure that the relevant registered holder(s) and other Controlled Entities shall, comply with all the restrictions and requirements under the Listing Rules on the sale, transfer or disposal by it/him or by the registered holder(s) and/or other Controlled Entities of any Shares or other securities of our Company.

Indemnity

Each of the Warrantors agreed to jointly and severally indemnify the Joint Sponsors, the Joint Sponsor-OCs the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with, among others, the Overall Coordinators, the Joint Global Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would severally, but not jointly or jointly and severally, agree to procure purchasers for or failing which to purchase, the International Offer Shares. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

Under the International Underwriting Agreement, our Company is expected to grant to the International Underwriters, exercisable by the Overall Coordinators on behalf of the International Underwriters, the Over-allotment Option, exercisable within 30 days from the last day for lodging applications under the Hong Kong Public Offering, to require us to allot and issue up to 3,333,300 additional H Shares, representing 15% of the initial size of the Global Offering, at the same price per Offer Share under the International Offering, to cover over-allocations in the International Offering, if any.

Stabilization

In connection with the Global Offering, the Stabilizing Manager, on behalf of the Underwriters, may, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate Shares or effect transactions with a view to stabilizing or supporting the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. See the section headed "Structure of the Global Offering — Over-allocation and Stabilization" in this prospectus for details regarding stabilization and over-allocation.

Underwriting Commission and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 2.25% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-allotment Option (the "Fixed Fees"). Our Company may, at our sole and absolute discretion, pay to the Capital Market Intermediaries an incentive fee up to but not exceeding 2.25% of the Offer Price of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-allotment Option) (the "Discretionary Fees"). The ratio of Fixed Fees and Discretionary Fees (if fully paid) is therefore approximately 50:50. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees (excluding any discretionary incentive fee), together with listing fees, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy, legal and other professional fees and printing and other expenses relating to the Global Offering, are estimated to amount to approximately RMB86.4 million (equivalent to HK$95.1 million, and assuming an Offer Price of HK$72.00, being the mid-point of the indicative offer price range and assuming that the Over-allotment Option is not exercised) in total and are payable by us.

Activities by Syndicate Members

We describe below a variety of activities that each of the Underwriters of the Hong Kong Public Offering and the International Offering, together referred to as "Syndicate Members", may individually undertake and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

(1) under the agreement among the Syndicate Members, all of them (except for the Stabilizing Manager or its designated affiliate as the stabilizing manager) 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

(2) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing, and other activities for their own account and for the accounts of others. In relation to the H Shares, those activities could include acting as an agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described under the section headed "Structure of the Global Offering — Over-allocation and Stabilization" in this prospectus. These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares, and the volatility of the H Shares' share price, and the extent to which this occurs from day to day cannot be estimated.

Hong Kong Underwriters' Interests in Our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement and as disclosed in this prospectus, as of the Latest Practicable Date, none of the Hong Kong Underwriters has any shareholding interests in our Company or any other member of our Group or the right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company or any other member of our Group.

Following completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

Buyers of Offer Shares sold by the Underwriters may be required to pay stamp taxes and other charges in accordance with the relevant laws and practice of the country of purchase in addition to the Offer Price.

The Joint Sponsors' Independence

The Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of (subject to reallocation and the Over-allotment Option):

(i) the Hong Kong Public Offering of 2,222,300 H Shares (subject to reallocation) in Hong Kong as described below under the sub-section headed "The Hong Kong Public Offering"; and

(ii) the International Offering of 20,000,000 H Shares (subject to reallocation and the Over-allotment Option) outside the United States in reliance on Regulation S.

You may apply for the Hong Kong Offer Shares or if qualified to do so, indicate an interest in the International Offer Shares, but you may not apply in both.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as institutional and professional investors and other investors in Hong Kong. The International Offering will involve selective marketing of the International Offer Shares to institutional and professional investors and other investors expected to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

The number of the Hong Kong Offer Shares and the International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively, may be subject to reallocation as described below under the sub-section headed "Pricing and allocation".

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, among other things:

(i) the Stock Exchange granting the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned herein (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(ii) the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Overall Coordinators (acting for themselves and on behalf of other Underwriters) and such obligations not being terminated in accordance with the terms of the respective agreements,

in each case, on or before the dates and times specified in the 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 that is 30 days after the date of this prospectus.

The consummation of each of the International Offering and the Hong Kong Public Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Global Offering on the website of our Company at **www.onero.cn** and the Stock Exchange at **www.hkexnews.hk** on the next day following such lapse.

In the above situation, we will return all application monies to the applicants, without interest and on the terms set out in "How to Apply for Hong Kong Offer Shares" in this prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving banks or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

We expect to dispatch H Share certificates for the Offer Shares on Monday, December 29, 2025. However, these H Share certificates will only become valid evidence of title if (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting" in this prospectus has not been exercised, which is expected to be at 8:00 a.m. (Hong Kong time) on the Listing Date.

PRICING AND ALLOCATION

Indicative range of the Offer Price

The Offer Price will not be more than HK$81.0 per Offer Share and is expected to be not less than HK$63.0 per Offer Share, unless otherwise announced no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as explained below. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative range of the Offer Price stated in this prospectus.**

Price Payable on Application

Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK$81.0 for each Hong Kong Offer Share (plus brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy). If the Offer Price is less than HK$81.0, appropriate refund payments (including brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants. Further details are set out in the paragraph headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus.

Determining the Offer Price

The International Underwriters are soliciting from prospective investors indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of the International Offer Shares 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, but to cease on or around, Wednesday, December 24, 2025 and in any event, not later than 12:00 noon on Wednesday, December 24, 2025.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (acting for themselves and on behalf of the other Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Wednesday, December 24, 2025.

If, for any reason, the Overall Coordinators (acting for themselves and on behalf of the other Underwriters) and our Company are unable to reach agreement on the Offer Price on or before 12:00 noon on Wednesday, December 24, 2025, the Global Offering will not proceed and will lapse.

Reduction in Offer Price range and/or number of Offer Shares

If the Overall Coordinators (acting for themselves and on behalf of the other Underwriters) consider it appropriate, the indicative Offer Price range and/or the number of Offer Shares may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering with the consent of our Company.

In such a case, our Company will, as soon as practicable following the decision to make any 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 Stock Exchange at **www.hkexnews.hk** and our Company at **www.onero.cn** an announcement of the reduction in the indicative Offer Price range and/or number of Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the use of proceeds and the offering statistics as currently disclosed in the section headed "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Offer Price, if agreed upon, 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 Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative range of the Offer Price and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the 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.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators (for themselves and on behalf of the Underwriters) may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering.

Allocation

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 Overall Coordinators.

Allocation of the Offer Shares under the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, 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, and/or hold or sell Shares after the listing of the H Shares on the Stock Exchange. Such allocation may be made to professional, institutional and corporate investors and is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

Allocation of the Offer Shares under the Hong Kong Public Offering will be based solely on the level of applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares applied for by applicants. The allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Announcement of Offer Price and basis of allocations

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, and the basis of allocations of the Hong Kong Offer Shares are expected to be announced on Monday, December 29, 2025, on our website **www.onero.cn** (in English and Chinese) and on the Stock Exchange's website **www.hkexnews.hk** and in a variety of channels in the manner described in the paragraph headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus. You should note that our website and all information contained in our website, does not form part of this prospectus.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Hong Kong Underwriting Agreement including those described in the paragraphs under "Conditions of the Global Offering" above) for the subscription in Hong Kong of, initially, 2,222,300 Offer Shares at the Offer Price, representing approximately 10% of the initial number of the Offer Shares (before any exercise of the Over-allotment Option). Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1% of the enlarged number of our Shares in issue immediately after completion of the Global Offering but before any exercise of the Over-allotment Option.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offering (after taking into account of any reallocation of Hong Kong Offer Shares and International Offer Shares) is to be divided equally into two pools (with any odd lot being allocated to pool A):

- **Pool A**: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregated subscription price of HK$5 million or less (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable); and

- **Pool B**: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million and up to the value of pool B (excluding brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for the Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,111,100 Hong Kong Offer Shares, being approximately 50% of the H Shares initially comprised in the Hong Kong Public Offering, are 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 Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the 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 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 Overall 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 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 1,111,000 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 3,333,300 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at the low end of the indicative price range (i.e. HK$63.0 per Offer Share) in accordance with Chapter 4.14 of the Guide.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Monday, December 29, 2025.

THE INTERNATIONAL OFFERING

The number of the Offer Shares to be initially offered for subscription under the International Offering will be 20,000,000 Offer Shares, representing approximately 90% of the initial number of the Offer Shares (before the exercise of the Over-allotment Option). Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the International Offer Shares will represent approximately 9% of the enlarged number of our Shares in issue immediately following the completion of the Global Offering but before any exercise of the Over-allotment Option.

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on behalf of us by the International Underwriters or through selling agents appointed by them. International Offer Shares will be placed with certain professional and institutional investors and other investors anticipated to have sizeable demand for the International Offer Shares in Hong Kong, Europe and other jurisdictions outside the United States in offshore transactions meeting the requirements of, and in reliance on Regulation S or another exemption from registration requirements under the U.S. Securities Act. Prospective investors may be required to give an undertaking and confirmation that they have not applied or taken up any Hong Kong Offer Shares. The International Offering is subject to the Hong Kong Public Offering becoming unconditional.

We are expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators at any time from the signing of the International Underwriting Agreement until the 30th day after the last date for the lodging of applications in the Hong Kong Public Offering, to require us to issue up to 3,333,300 additional H Shares, representing approximately 15% of the initial number of the Offer Shares. These Shares will be issued at the same price per Share under the International Offering to cover, among other things, over-allocations in the International Offering, if any. An announcement will be made in the event that the Over-allotment Option is exercised.

OVER-ALLOCATION AND 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 new securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and certain other jurisdictions, activity aimed at reducing the market price is prohibited, 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, to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect any other transactions with a view to stabilizing or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day for the lodging of applications under the Hong Kong Public Offering. Any market purchases of H Shares will be effected in compliance with all applicable laws and regulatory requirements.

However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be sold under the Over-allotment Option, namely 3,333,300 H Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilizing action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong and stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules under the SFO includes: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (ii) 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; (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) 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; (v) selling or agreeing to sell any Shares in order to liquidate any position held as a result of those purchases; and (vi) offering or attempting to do anything described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(i). the Stabilizing Manager, or any person acting for it, may, in connection with the stabilizing action, maintain a long position in the H Shares;

(ii). there is no certainty regarding the extent to which and the time period for which the Stabilizing Manager, or any person acting for it, will maintain such a position;

(iii). liquidation of any such long position by the Stabilizing Manager may have an adverse impact on the market price of the H Shares;

(iv). no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period which will begin on the Listing Date following announcement of the Offer Price and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

(v). the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilizing period by the taking of any stabilizing action; and (vi). stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

Our Company will ensure that a public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

All necessary arrangements have been made to enable the H Shares to be admitted into the CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, December 30, 2025, dealings in Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, December 30, 2025.

The H Shares will be traded in board lots of 100 H Shares each and the stock code is 6600.

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. We will not provide any printed copies of this prospectus for use by the public.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.onero.cn.

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 ***White Form eIPO*** 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 am on Thursday, December 18, 2025 and end at 12:00 noon on Tuesday, December 23, 2025 (Hong Kong time).

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

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	**www.eipo.com.hk**	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on Thursday, December 18, 2025 to 11:30 a.m. on Tuesday, December 23, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, December 23, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO service**, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. HKID card; or
  ii. National identification document; or
  iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. LEI registration document; or
  ii. Certificate of incorporation; or
  iii. Business registration certificate; or
  iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner.

6. If you do not include this information, the application will be treated as being made for your benefit. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	100 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$81.0 per H Share. If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian. If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application HK$	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application HK$
100	8,181.69	2,000	163,633.76	10,000	818,168.86	300,000	24,545,065.50
200	16,363.38	2,500	204,542.21	20,000	1,636,337.70	400,000	32,726,754.00
300	24,545.07	3,000	245,450.65	30,000	2,454,506.56	500,000	40,908,442.50
400	32,726.75	3,500	286,359.10	40,000	3,272,675.40	600,000	49,090,131.00
500	40,908.44	4,000	327,267.55	50,000	4,090,844.26	700,000	57,271,819.50
600	49,090.13	4,500	368,175.98	60,000	4,909,013.10	800,000	65,453,508.00
700	57,271.82	5,000	409,084.43	70,000	5,727,181.96	900,000	73,635,196.50
800	65,453.51	6,000	490,901.31	80,000	6,545,350.80	1,000,000	81,816,885.00
900	73,635.20	7,000	572,718.20	90,000	7,363,519.66	1,111,100(1)	90,906,740.93
1,000	81,816.89	8,000	654,535.08	100,000	8,181,688.50		
1,500	122,725.32	9,000	736,351.96	200,000	16,363,377.00		

Notes:

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

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) **undertake** to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC participant's stock account on your behalf;

(ii) **confirm** that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) **agree** to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) **confirm** that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) **confirm** that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) **agree** that the Joint Sponsors, 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, advisers and any other parties involved in the Global Offering (the "Relevant Persons"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) **agree** to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, **rules** or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;

(viii) **agree** (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) **agree** that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) **confirm** that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) **agree** that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) **agree** to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) **confirm** that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) **warrant** that the information you have provided is true and accurate;

(xv) **confirm** that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) **agree** to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) **declare** and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) **warrant** that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) **warrant** that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

	Platform	Date/Time
Applying through **White Form eIPO service** or **HKSCC EIPO channel**:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. and Monday, December 29, 2025 to 12:00 midnight and Sunday, January 4, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.onero.cn** which will provide links to the abovementioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Monday, December 29, 2025 (Hong Kong time).
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m., on Tuesday, December 30, 2025, Wednesday, December 31, 2025, Friday, January 2, 2026 and Monday, January 5, 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, December 24, 2025 (Hong Kong time).

HKSCC participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, December 24, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.onero.cn** by no later than 11:00 p.m. on Monday, December 29, 2025 (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 Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. 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;

- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC participants and HKSCC, HKSCC participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank(s) 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 International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Tuesday, December 30, 2025 (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 evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of Share certificate		
(Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong on the business day before the Listing Date rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. Severe Weather Arrangements" in this section.)		
For physical H Share certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person at Computershare Hong Kong Investor Services Limited, at shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. **Time:** 9:00 a.m. to 1:00 p.m. on Tuesday, December 30, 2025 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. **Note:** If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.
For physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk Time: Monday, December 29, 2025	

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, December 30, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, December 23, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("Extreme Conditions"), (collectively, "Severe Weather Signals"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, December 23, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.onero.cn** of the revised timetable.

If a Severe Weather Signal is hoisted on Monday, December 29, 2025, 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 Tuesday, December 30, 2025.

If a Severe Weather Signal is hoisted on Tuesday, December 30, 2025:

- for physical H Share certificates of 1,000,000 or more Offer Shares issued under your own name, you may pick them up from the Hong Kong Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, December 30, 2025 or on Wednesday, December 31, 2025).

If a Severe Weather Signal is hoisted on Monday, December 29, 2025:

- for physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, December 29, 2025 or on Tuesday, December 30, 2025).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong 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 White Form e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements;
- and any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential, but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers and receiving bank(s);
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- 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
- and any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong 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 ONEROBOTICS (SHENZHEN) CO., LTD. GUOTAI JUNAN CAPITAL LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of OneRobotics (Shenzhen) Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-93, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-93 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 18 December 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023, 2024 and 30 June 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
18 December 2025

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
REVENUE	5	274,597	457,264	609,924	275,021	396,294
Cost of sales		(180,458)	(226,726)	(294,327)	(136,183)	(181,541)
Gross profit		94,139	230,538	315,597	138,838	214,753
Other income and gains	5	6,787	8,342	9,111	4,578	10,364
Selling and distribution expenses		(102,104)	(136,698)	(171,894)	(70,969)	(106,829)
Administrative expenses		(21,006)	(24,139)	(32,372)	(15,936)	(30,864)
Research and development expenses		(61,761)	(89,192)	(112,022)	(56,737)	(58,679)
Impairment losses on financial assets, net		(136)	(798)	151	(120)	(490)
Other expenses		(431)	(2,100)	(6,836)	(10,886)	(1,964)
Finance costs	6	(2,422)	(2,240)	(4,409)	(1,738)	(2,165)
(LOSS)/PROFIT BEFORE TAX	7	(86,934)	(16,287)	(2,674)	(12,970)	24,126
Income tax (expense)/credit	10	(49)	(89)	(400)	(671)	3,777
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(86,983)	(16,376)	(3,074)	(13,641)	27,903
Attributable to:						
Owners of the parent		(86,983)	(16,376)	(3,074)	(13,641)	27,903
		(86,983)	(16,376)	(3,074)	(13,641)	27,903
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB per share)	12	(0.76)	(0.14)	(0.03)	(0.12)	0.17

For the details of pre-IPO investments, please refer to note 28 to this report.

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
(LOSS)/PROFIT FOR THE YEAR/PERIOD	(86,983)	(16,376)	(3,074)	(13,641)	27,903
OTHER COMPREHENSIVE (LOSS)/ INCOME					
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:					
Exchange differences on translation of foreign operations	(102)	70	(3)	(381)	585
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD	(87,085)	(16,306)	(3,077)	(14,022)	28,488
Attributable to:					
Owners of the parent	(87,085)	(16,306)	(3,077)	(14,022)	28,488
Non-controlling interests	—	—	—	—	—
	(87,085)	(16,306)	(3,077)	(14,022)	28,488

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	13	10,316	11,427	21,701	21,778
Right-of-use asset	15	31,030	46,912	45,788	39,325
Intangible assets	14	1,671	5,872	9,740	31,509
Deferred tax assets	18	—	—	—	6,095
Prepayments, deposits and other receivables	20	3,386	10,357	7,308	5,051
Total non-current assets		46,403	74,568	84,537	103,758
CURRENT ASSETS					
Inventories	17	83,589	82,437	163,637	202,746
Trade receivables	19	45,103	62,091	45,815	133,035
Prepayments, deposits and other receivables	20	16,873	22,124	22,989	30,229
Financial assets at fair value through profit or loss	21	8	—	54,391	—
Restricted cash	22	824	510	15,917	900
Time deposits	22	3,103	2,562	2,909	2,947
Cash and cash equivalents	22	145,265	130,177	62,337	197,065
Total current assets		294,765	299,901	367,995	566,922
CURRENT LIABILITIES					
Trade payables	23	27,677	44,330	28,587	137,492
Contract liabilities	26	3,202	3,558	4,553	7,682
Other payables and accruals	24	20,122	32,674	43,151	66,054
Financial liabilities at fair value through profit or loss	21	129	—	68	420
Interest-bearing bank loans	25	40,207	30,200	91,250	37,938
Lease liabilities	15	11,270	12,344	11,641	7,945
Provision	27	6,479	14,200	20,487	22,011
Income tax payable		—	—	—	2,101
Total current liabilities		109,086	137,306	199,737	281,643
NET CURRENT ASSETS		185,679	162,595	168,258	285,279
TOTAL ASSETS LESS CURRENT LIABILITIES		232,082	237,163	252,795	389,037

		As at 31 December			As at 30 June
		2022	**2023**	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank loans	25	—	—	15,014	60,721
Lease liabilities	15	23,556	40,762	40,276	37,215
Total non-current liabilities		23,556	40,762	55,290	97,936
Net assets		208,526	196,401	197,505	291,101
EQUITY					
Equity attributable to owners of the parent					
Share capital	28	—	—	—	20,000
Paid-in capital	28	1,483	1,483	1,483	—
Reserves	29	207,043	194,918	196,022	271,101
		208,526	196,401	197,505	291,101
Non-controlling interests		—	—	—	—
Total equity		208,526	196,401	197,505	291,101

For the details of pre-IPO investments, please refer to note 28 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent					
	Paid-in capital	**Capital reserve**	**Share-based payment reserve**	**Accumulated losses**	**Exchange fluctuation reserve**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 30)*		*(note 29)*	
As at 1 January 2022	1,205	129,543	5,164	(43,679)	—	92,233
Loss for the year	—	—	—	(86,983)	—	(86,983)
Exchange differences on translation of foreign operations	—	—	—	—	(102)	(102)
Total comprehensive loss for the year	—	—	—	(86,983)	(102)	(87,085)
Share-based payments *(note 30)*	—	—	3,378	—	—	3,378
Capital contribution by shareholders	278	199,722	—	—	—	200,000
As at 31 December 2022	1,483	329,265*	8,542*	(130,662)*	(102)*	208,526

Year ended 31 December 2023

	Attributable to owners of the parent					
	Paid-in capital	**Capital reserve**	**Share-based payment reserve**	**Accumulated losses**	**Exchange fluctuation reserve**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 30)*		*(note 29)*	
As at 1 January 2023	1,483	329,265	8,542	(130,662)	(102)	208,526
Loss for the year	—	—	—	(16,376)	—	(16,376)
Exchange differences on translation of foreign operations	—	—	—	—	70	70
Total comprehensive loss for the year	—	—	—	(16,376)	70	(16,306)
Share-based payments *(note 30)*	—	—	4,181	—	—	4,181
As at 31 December 2023	1,483	329,265*	12,723*	(147,038)*	(32)*	196,401

Year ended 31 December 2024

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 29)*	*(note 30)*		*(note 29)*	
As at 1 January 2024	1,483	329,265	12,723	(147,038)	(32)	196,401
Loss for the year	—	—	—	(3,074)	—	(3,074)
Exchange differences on translation of foreign operations	—	—	—	—	(3)	(3)
Total comprehensive loss for the year	—	—	—	(3,074)	(3)	(3,077)
Share-based payments *(note 30)*	—	—	4,181	—	—	4,181
As at 31 December 2024	1,483	329,265*	16,904*	(150,112)*	(35)*	197,505

Six months ended 30 June 2025

	Attributable to owners of the parent						
	Share capital	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 28)	*(note 28)*	*(note 29)*	*(note 30)*		*(note 29)*	
As at 1 January 2025	—	1,483	329,265	16,904	(150,112)	(35)	197,505
Profit for the period	—	—	—	—	27,903	—	27,903
Exchange differences on translation of foreign operations	—	—	—	—	—	585	585
Total comprehensive income for the period	—	—	—	—	27,903	585	28,488
Share-based payments *(note 30)*	—	—	—	5,041	—	—	5,041
Capital contribution by shareholders	—	1,009	—	—	—	—	1,009
Conversion into a joint stock company	2,492	(2,492)	—	—	—	—	—
Issue of shares	38	—	59,020	—	—	—	59,058
Capitalisation of reserves	17,470	—	(17,470)	—	—	—	—
As at 30 June 2025	20,000	—	370,815*	21,945*	(122,209)*	550*	291,101

* The reserve accounts comprised the consolidated reserves of RMB207,043,000, RMB194,918,000, RMB196,022,000 and RMB271,101,000 the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 30 June 2025.

Six months ended 30 June 2024 (Unaudited)

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	1,483	329,265	12,723	(147,038)	(32)	196,401
Loss for the period	—	—	—	(13,641)	—	(13,641)
Exchange differences on translation of foreign operations	—	—	—	—	(381)	(381)
Total comprehensive loss for the period	—	—	—	(13,641)	(381)	(14,022)
Share-based payments	—	—	2,091	—	—	2,091
As at 30 June 2024	1,483	329,265	14,814	(160,679)	(413)	184,470

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax		(86,934)	(16,287)	(2,674)	(12,970)	24,126
Adjustments for:						
Finance costs	6	2,422	2,240	4,409	1,738	2,165
Interest income	5	(1,647)	(1,560)	(2,058)	(864)	(550)
Finance income on the net investment in the sublease	5	(12)	(21)	(154)	(75)	(70)
Impairment losses on financial assets, net	7	136	798	(151)	120	490
Write-down of inventories to net realisable value	7	7,055	7,608	5,639	5,713	5,698
Foreign exchange difference, net	7	3	1,619	6,494	10,766	(6,058)
Equity-settled share-based payment expenses	30	3,378	4,181	4,181	2,091	5,041
Gain on disposal of right of use assets	5	—	—	(292)	(281)	—
Gain on sublease of right of use assets	5	—	(1,554)	—	—	—
Investment income on financial assets at fair value through profit or loss	5	—	(21)	(1,679)	—	(344)
Investment loss on financial liabilities at fair value through profit or loss	7	54	453	—	97	1,153
Fair value (gains)/losses on financial assets at fair value through profit or loss		(8)	—	(391)	(104)	391
Fair value losses on financial liabilities at fair value through profit or loss	7	129	—	—	—	420
Depreciation of property, plant and equipment	7	3,005	5,113	9,589	4,229	5,567
Amortisation of intangible assets	14	222	676	1,646	822	1,940
Depreciation of right-of-use assets	7	10,430	11,451	10,988	5,124	4,594
		(61,767)	14,696	35,547	16,406	44,563

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Increase in inventories		(25,883)	(6,456)	(86,839)	(104,972)	(44,807)
Increase in trade receivables		(100,127)	(174,475)	(172,835)	(101,036)	(161,843)
Decrease in factored trade receivables		78,623	156,934	189,249	76,283	74,191
(Increase)/decrease in prepayments, deposits and other receivables		(6,584)	(4,629)	22	(9,665)	(3,296)
(Decrease)/increase in trade payables		(4,834)	16,653	(15,743)	92,303	108,905
Increase in contract liabilities		2,025	356	995	410	3,129
Increase/(decrease) in other payables and accruals		9,147	12,552	10,477	(5,526)	6,519
Increase in provision		812	7,721	6,287	2,157	1,524
Cash (used in)/generated from operations		(108,588)	23,352	(32,840)	(33,640)	28,885
Interest received		1,643	1,358	1,962	841	499
Income tax paid		(49)	(89)	(400)	(5)	(217)
Net cash flows (used in)/from operating activities		(106,994)	24,621	(31,278)	(32,804)	29,167

	Notes	Year ended 31 December 2022	2023	2024	Six months ended 30 June 2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		4	202	96	23	51
Purchase of financial assets at fair value through profit or loss		—	—	(118,000)	—	(30,000)
Disposal of financial assets at fair value through profit or loss		—	29	65,679	(97)	84,344
Proceeds from financial liabilities at fair value through profit or loss		—	—	68	—	20
Settlement of financial liabilities at fair value through profit or loss		(54)	(582)	—	—	(1,241)
Purchases of items of property, plant and equipment		(7,759)	(9,461)	(17,717)	(10,280)	(5,591)
Purchases of intangible assets		(1,527)	(4,877)	(5,514)	(94)	(148)
Asset acquisition	31	—	—	—	—	(7,500)
Proceeds from sublease of right-of-use assets		86	90	486	286	200
Proceeds from disposal of items of property, plant and equipment		8	1	—	—	—
Placement of time deposits		(3,718)	(4,296)	(4,354)	(1,440)	(2,947)
Withdrawal of time deposits		615	4,837	4,007	2,562	2,909
Placement of restricted cash		(1,322)	(1,314)	(22,837)	(6,038)	(2,480)
Withdrawal of restricted cash		498	1,628	7,430	6,297	17,497
Net cash flows (used in)/from investing activities		(13,169)	(13,743)	(90,656)	(8,781)	55,114
CASH FLOWS FROM FINANCING ACTIVITIES						
New borrowings from factored trade receivables		118,830	146,927	183,528	82,879	73,347
New bank loans		—	—	88,065	28,020	58,024
Interest paid from factored trade receivables		(666)	(749)	(698)	(325)	(398)
Interest paid		—	—	(1,275)	(104)	(803)
Proceeds from issue of shares		—	—	—	—	59,058
Capital contribution by shareholders		200,000	—	—	—	1,009
Repayment of borrowings from factored trade receivables		(78,623)	(156,934)	(189,249)	(76,283)	(74,191)
Repayment of bank loans		—	—	(6,280)	(720)	(64,785)
Payment for listing expense		—	—	—	—	(1,497)
Increase in rental deposit		(1,712)	(1,038)	(643)	(658)	(89)
Decrease in rental deposit		—	—	340	—	—
Payments of lease liabilities		(11,003)	(12,617)	(13,193)	(6,324)	(5,855)
Net cash flows from/(used in) financing activities		226,826	(24,411)	60,595	26,485	43,820

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		106,663	(13,533)	(61,339)	(15,100)	128,101
Cash and cash equivalents at beginning of year/period		38,706	145,265	130,177	130,177	62,337
Effect of foreign exchange rate changes, net		(104)	(1,555)	(6,501)	(11,201)	6,627
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		145,265	130,177	62,337	103,876	197,065
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		145,265	129,820	62,263	102,359	196,990
Non-pledged time deposits with original maturity of less than three months when acquired		—	357	74	1,517	75
Cash and cash equivalents as stated in the consolidated statements of financial position	22	145,265	130,177	62,337	103,876	197,065

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Investment in a subsidiary	16	56,153	70,335	74,517	79,526
Total non-current assets		56,153	70,335	74,517	79,526
CURRENT ASSETS					
Inventories	17	2,494	930	1,618	874
Trade receivables	19	16,846	23,133	11,067	23,105
Prepayments, deposits and other receivables	20	160,569	245,193	230,862	249,540
Financial assets at fair value through profit or loss	21	—	—	18,000	—
Cash and cash equivalents	22	98,260	28,993	6,047	62,570
Total current assets		278,169	298,249	267,594	336,089
CURRENT LIABILITIES					
Trade payables	23	116	33,109	4,323	5,808
Other payables and accruals	24	142	258	285	5,986
Income tax payable		—	—	—	2
Total current liabilities		258	33,367	4,608	11,796
NET CURRENT ASSETS		277,911	264,882	262,986	324,293
TOTAL ASSETS LESS CURRENT LIABILITIES		334,064	335,217	337,503	403,819
Net assets		334,064	335,217	337,503	403,819
EQUITY					
Share capital	28	—	—	—	20,000
Paid-in capital	28	1,483	1,483	1,483	—
Reserves	29	332,581	333,734	336,020	383,819
Total equity		334,064	335,217	337,503	403,819

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

OneRobotics (Shenzhen) Co., Ltd. (the "Company") was incorporated as a limited liability in Shenzhen, People's Republic of China (the "PRC") on 18 October 2018. It was converted into a joint stock company with limited liability in April 2025. The registered office address of the Company is Room 1706, Shenzhen Qiancheng Commercial Center, No. 5, Haicheng Road, Mabu Community, Xixiang Street, Bao'an District, Shenzhen, the PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively the "Group") was principally engaged in the design, development, manufacturing and commercialization of home robotics system products and other home robot products and accessories.

In the opinion of the directors, Mr. Li Zhichen, Mr. Pan Yang and Wonder Innovation Technology (Shenzhen) Partnership (Limited Partnership) are a group of the controlling shareholders of the Group as at the end of the 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), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Woan Technology (Shenzhen) Co., Ltd. 卧安科技(深圳)有限公司* *(note (d))*	Mainland China 22 January 2015	RMB32,000,000	100%	—	Develop, Manufacture and Sale of home robotics system products and other home robot products and accessories
Woan (Shenzhen) Software Technology Co., Ltd. 卧安(深圳)軟件技術有限公司* *(note (a))*	Mainland China 10 October 2023	RMB1,000,000	—	100%	Develop of system
WOAN TECHNOLOGY LIMITED* *(note (b))*	Hong Kong 4 May 2020	HKD200,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT PTE. LTD.* *(note (a))*	Singapore 21 November 2022	SGD10,000	—	100%	Sale of home robotics system products and other home robot products and accessories
WONDERLABS LIMITED *(note (c))*	Hong Kong 16 March 2018	HKD10,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT CO., LTD SWITCHBOT株式會社 *(note (a))*	Japan 24 September 2020	JPY5,000,000	—	100%	Sale of home robotics system products and other home robot products and accessories
WONDERLABS INC *(note (a))*	The United States 23 January 2017	US$1,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT INC *(note (a))*	The United States 11 October 2021	US$4,000	—	100%	Sale of home robotics system products and other home robot products and accessories
Ace Robot (Shenzhen) Co., Ltd. 艾思機器人(深圳)有限公司* *(note (a)(e))*	Mainland China 18 June 2025	RMB1,000,000	—	55.20%	Develop, Manufacture and Sale of home robotics system products and other home robot products and accessories

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Notes:

(a) No audited financial statements have been prepared for these entities for the Relevant Periods as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation or newly incorporated.

(b) The statutory financial statements of this entity for the year ended 31 December 2022 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards ("SME-FRS") issued by the HKICPA, were audited by Lun Man Ho Clement Certified Public Accountant (Practising), certified public accountants registered in Hong Kong. The statutory financial statements of this entity for the year ended 31 December 2023 prepared in accordance with SME-FRS, were audited by Jerry Chow & Co., certified public accountants registered in Hong Kong.

(c) The statutory financial statements of this entity for the years ended 31 August 2022 and 2023 prepared in accordance with SME-FRS issued by the HKICPA, were audited by Honesty CPA & Co., certified public accountants registered in Hong Kong.

(d) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with China Accounting Standards of Business Enterprises ("PRC GAAP"), were audited by Tian Di Certified Public Accountants LLP (深圳天地會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(e) As of the reporting date, the registered capital of this entity has not yet been paid.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights, which are *void ab initio* as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 28 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

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 and in the period covered by the Interim Comparative Financial Information.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods and in the period covered by the Interim Comparative Financial Information. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial information of subsidiaries is prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in the Historical Financial Information.

IFRS 18	*Presentation and Disclosure in financial statement*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, deferred tax assets), 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 the statement of 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 the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Furniture and fixtures	19% to 33.3%
Electronic equipment and others	19% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each of the Relevant Periods.

Trademark

Purchased trademark is initially recognised and measured at cost. The cost is amortised on the straight-line basis over its estimated useful life of 7.5–10 years.

Patent technology

Purchased patent technology is initially recognised and measured at cost. The cost is amortised on the straight-line basis over its estimated useful life of 7.5 years.

Software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 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.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding three years, commencing from the date when the products are put into commercial production.

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 (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables 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 financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank and other borrowings, financial liabilities measured at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, loans and borrowings)

After initial recognition, trade payables, other payables and accruals, interest-bearing bank and other borrowings, are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of 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.

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss include derivative financial instruments.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

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 the statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each or the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customers, generally upon acceptance of the goods as agreed in the sales contracts.

Sales of goods — distributors and retailers

A significant part of the Group's products is sold to distributors and retailers, who have discretion over both price and distribution methods for products to be sold in their designated geographical areas. Revenue is recognised at a point in time when the goods are delivered and accepted by the distributors and retailers in accordance with the sales contract.

Volume rebates may be provided to distributors and retailers under certain conditions as agreed in the sales contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount is used.

Sales of goods — direct-to-customer ("DTC")

The Group sells its products directly to end customers via e-commence platforms and self-operated website. 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.

(b) Cloud storage services

Customers subscribe for cloud storage services over a service period. Revenue is recognised over the subscribed period on a straight-line basis, because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of 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.

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.

Share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of share award is determined by an external valuer using probability weighted expected return method and valuation models. Further details are included in note 28 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Other employee benefits

Pension scheme

Mainland China

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Japan

The Group pays fixed contributions into a local separate fund, which is responsible for paying pensions and other post-retirement benefits to the retired employees. The amounts based on the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period.

Housing fund and other social insurances — Mainland China

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its 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 Historical Financial Information but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates or the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Development expenses

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

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.

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.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each reporting period and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of robots industry. Management estimates the net realizable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions 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 18 to the Historical Financial Information.

Assessment of useful lives of capitalized development expenditures

In assessing the estimated useful lives of capitalized development costs when the products are put into commercial production, the Group takes into account factors such as expected life span of the underlying products based on past experience or from a change in the market demand for the products. The estimation of the useful lives is based on the experience of management.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on its service and products and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Japan	168,381	285,057	352,408	167,390	268,354
Europe	46,193	68,737	130,465	47,769	68,055
North America	47,614	83,482	96,735	42,394	46,176
Others*	12,409	19,988	30,316	17,468	13,709
	274,597	457,264	609,924	275,021	396,294

The revenue information above is based on the locations of the customers.

* Others include over 40 countries and regions, including Australia, South Korea and Singapore, of which each contributed relatively insignificant revenue during the Relevant Periods and six months ended 30 June 2024.

(b) Non-current assets

Most of the Group's non-current assets are located in Mainland China. 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 and six months ended 30 June 2024 are set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Customer A	145,080	178,186	218,634	112,447	175,233

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue from contracts with customers	274,597	457,264	609,924	275,021	396,294

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Types of goods or services					
Execution-enhanced robots	139,896	255,091	347,869	175,239	237,735
Perception and decision-making systems	89,250	161,243	199,091	75,986	111,110
Other smart home products and services*	45,451	40,930	62,964	23,796	47,449
	274,597	457,264	609,924	275,021	396,294
Timing of revenue recognition					
Goods transferred at a point in time	274,262	456,460	608,769	274,558	395,134
Services transferred over time	335	804	1,155	463	1,160
Total revenue from contracts with customers	274,597	457,264	609,924	275,021	396,294

* Other smart home products and services primarily include the revenue generated from the sales of smart light tools, smart power tools and smart home appliances and cloud storage service.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:					
Sale of products	1,177	3,202	3,558	3,558	4,317

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery and acceptance of products. Payment is generally due within 2 months from delivery for distributors and retailers, where payment is normally settled through on-line payment platforms for DTC.

Cloud storage services

The performance obligation is satisfied over time. Service contracts are for periods of one year or less, and are billed based on the time incurred.

As the original expected duration of the contracts from customers of the Group are within one year or less, the Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Other income					
Interest income	1,647	1,560	2,058	864	550
Finance income on the net investment in the sublease *(note 20)*	12	21	154	75	70
Government grants*	4,955	4,692	4,233	3,072	3,261
Investment income from financial assets at fair value through profit or loss	—	21	1,679	—	344
Others	165	494	304	182	81
Gains					
Fair value gains on financial assets at fair value through profit or loss	8	—	391	104	—
Gain on sublease of right-of-use assets	—	1,554	—	—	—
Gain on disposal of right-of-use assets	—	—	292	281	—
Gain on exchange differences, net	—	—	—	—	6,058
	6,787	8,342	9,111	4,578	10,364

* The Group has received government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Interest on bank loans	—	—	1,275	104	803
Interest on factored trade receivables	666	749	698	325	398
Interest on lease liabilities	1,756	1,491	2,436	1,309	964
	2,422	2,240	4,409	1,738	2,165

For the details of pre-IPO investments, please refer to note 28 to this report.

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

		Year ended 31 December			Six months ended 30 June	
		2022	**2023**	**2024**	**2024**	**2025**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Cost of inventories sold*		180,224	226,377	293,833	135,970	180,967
Cost of services provided		234	349	494	213	574
Research and development costs:						
Deferred expenditure amortised**	14	222	631	1,177	588	1,416
Current year expenditure		61,761	89,192	112,022	56,737	58,679
Depreciation of property, plant and equipment**	13	3,005	5,113	9,589	4,229	5,567
Depreciation of right-of-use assets***	15	10,430	11,451	10,988	5,124	4,594
Amortisation of intangible assets excluding deferred expenditures***	14	—	45	469	234	524
Foreign exchange losses/(gains), net****		3	1,619	6,494	10,766	(6,058)
Lease payments in respect of short-term leases	15	331	122	88	41	55
Impairment of financial assets, net:						
Impairment/(reversal of impairment) of trade receivables	19	24	553	(138)	95	432
Impairment/(reversal of impairment) of other receivables	20	112	245	(13)	25	58
Write-down of inventories to net realisable value*****		7,055	7,608	5,639	5,713	5,698
Fair value loss on financial assets at fair value through profit or loss****		—	—	—	—	391
Fair value loss on financial liabilities at fair value through profit or loss****		129	—	—	—	420
Investment loss on financial liabilities at fair value through profit or loss****		54	453	—	97	1,153
Product warranty provision******	27	5,121	13,646	17,100	6,035	12,833
Listing expense		—	—	—	—	11,261
Auditor's remuneration		12	12	42	—	189

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration *(note 8)*)						
— Wages and salaries		82,110	108,200	127,479	57,311	69,372
— Pension scheme contributions		4,834	6,096	8,556	5,476	6,480
— Share-based payment expenses		2,159	2,721	2,721	1,361	3,414
Total		89,103	117,017	138,756	64,148	79,266

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value.

** The amortisation of deferred development costs is included in "Cost of sales" in profit or loss.

*** The depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses" and "Research and development expenses" in profit or loss, respectively.

**** The amounts are included in "other expenses" or "Other income and gains" in profit or loss.

***** The amounts are included in "cost of sales" in profit or loss.

****** The amounts are included in "Selling and distribution expenses" in profit or loss.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration as recorded during the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	2,530	2,885	3,341	1,658	2,905
Performance related bonus	1,349	1,691	1,394	678	722
Pension scheme contributions	143	164	223	100	145
Share-based payment expenses	1,219	1,460	1,460	730	1,627
	5,241	6,200	6,418	3,166	5,399

(a) Independent non-executive directors

There were no emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2024.

(b) Directors, supervisors and the chief executive

Year ended 31 December 2022

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Li Zhichen *(note (i))*	400	230	23	—	653
Mr. Pan Yang *(note (ii))*	398	230	22	—	650
Mr. Liu Guohui *(note (ii))*	416	246	23	517	1,202
Mr. Lin Haizhou *(note (iii))*	471	286	28	431	1,216
Mr. Mou Qingqi *(note (iv))*	338	203	20	77	638
Subtotal	2,023	1,195	116	1,025	4,359
Supervisor					
Mr. Liu Yanfei *(note (vi))*	507	154	27	194	882
Non-executive directors:					
Mr. Ko Ping Keung *(note (ii))*	—	—	—	—	—
Ms. Wang Bei *(note (iii))*	—	—	—	—	—
Ms. Wang Han *(note (iv))*	—	—	—	—	—
Mr. She Yangjie *(note (iii))*	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	2,530	1,349	143	1,219	5,241

Year ended 31 December 2023

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment expenses *RMB'000*	Total *RMB'000*
Executive directors					
Mr. Li Zhichen *(note (i))*	458	299	26	—	783
Mr. Pan Yang *(note (ii))*	463	299	25	—	787
Mr. Liu Guohui *(note (ii))*	453	366	26	517	1,362
Mr. Lin Haizhou *(note (iii))*	498	329	30	672	1,529
Mr. Mou Qingqi *(note (iv))*	469	287	28	77	861
Subtotal	2,341	1,580	135	1,266	5,322
Supervisor					
Mr. Liu Yanfei *(note (vi))*	544	111	29	194	878
Non-executive directors:					
Mr. Ko Ping Keung *(note (ii))*	—	—	—	—	—
Ms. Wang Bei *(note (iii))*	—	—	—	—	—
Ms. Wang Han *(note (iv))*	—	—	—	—	—
Mr. Zhang Xingchen *(note (v))*	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	2,885	1,691	164	1,460	6,200

Year ended 31 December 2024

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment expenses *RMB'000*	Total *RMB'000*
Executive directors					
Mr. Li Zhichen *(note (i))*	709	54	70	—	833
Mr. Pan Yang *(note (ii))*	528	322	29	—	879
Mr. Liu Guohui *(note (ii))*	498	315	29	517	1,359
Mr. Lin Haizhou *(note (iii))*	524	330	33	672	1,559
Mr. Mou Qingqi *(note (iv))*	494	308	30	77	909
Subtotal	2,753	1,329	191	1,266	5,539
Supervisor					
Mr. Liu Yanfei *(note (vi))*	588	65	32	194	879
Non-executive directors:					
Mr. Ko Ping Keung *(note (ii))*	—	—	—	—	—
Ms. Wang Bei *(note (iii))*	—	—	—	—	—
Ms. Wang Han *(note (iv))*	—	—	—	—	—
Mr. Zhang Xingchen *(note (v))*					
Mr. Weng Deming *(note (v))*	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	3,341	1,394	223	1,460	6,418

Six months ended 30 June 2025

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonus *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment expenses *RMB'000*	Total *RMB'000*
Executive directors					
Mr. Li Zhichen *(note (i))*	424	20	39	—	483
Mr. Pan Yang *(note (ii))*	283	129	14	—	426
Mr. Hu Zhidong *(note (vii))*	513	69	9	707	1,298
Ms. Yang Minghui *(note (vii))*	278	46	15	41	380
Mr. Lin Haizhou *(note (iii))*	278	130	15	336	759
Mr. Liu Guohui *(note (ii))*	269	127	14	258	668
Subtotal	2,045	521	106	1,342	4,014
Supervisors					
Mr. Liu Yanfei *(note (vi))*	386	44	14	97	541
Mr. Zheng Minsheng *(note (viii))*	261	59	14	81	415
Mr. Mou Qingqi *(note (iv))*	213	98	11	107	429
Mr. Yu Jiali *(note (ix))*	—	—	—	—	—
Subtotal	860	201	39	285	1,385
Non-executive directors:					
Mr. Ko Ping Keung *(note (ii))*	—	—	—	—	—
Ms. Wang Bei *(note (iii))*	—	—	—	—	—
Ms. Wang Han *(note (iv))*	—	—	—	—	—
Mr. Li Zexiang *(note (vii))*	—	—	—	—	—
Mr. Weng Deming *(note (v))*	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	2,905	722	145	1,627	5,399

Six months ended 30 June 2024 (Unaudited)

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Li Zhichen *(note (i))*	320	19	27	—	366
Mr. Pan Yang *(note (ii))*	267	159	13	—	439
Mr. Liu Guohui *(note (ii))*	245	156	14	258	673
Mr. Lin Haizhou *(note (iii))*	260	164	16	336	776
Mr. Mou Qingqi *(note (iv))*	249	153	15	39	456
Subtotal	1,341	651	85	633	2,710
Supervisor					
Mr. Liu Yanfei *(note (vi))*	317	27	15	97	456
Non-executive directors:					
Mr. Ko Ping Keung *(note (ii))*	—	—	—	—	—
Ms. Wang Bei *(note (iii))*	—	—	—	—	—
Ms. Wang Han *(note (iv))*	—	—	—	—	—
Mr. Zhang Xingchen *(note (v))*	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	1,658	678	100	730	3,166

Notes:

(i) Mr. Li Zhichen was appointed as a director and the chief executive officer of the Company and the chairman of the Board with effect from October 2018.

(ii) Mr. Pan Yang and Mr. Ko Ping Keung were appointed as directors of the Company with effect from October 2018. Mr. Liu Guohui was appointed as a director of the Company with effect from October 2018 until April 2025.

(iii) Mr. Lin Haizhou was appointed as a director of the Company with effect from February 2021 until April 2025. Ms. Wang Bei was appointed as a director of the Company with effect from November 2021 until April 2025. Mr. She Yangjie was appointed as a director of the Company with effect from May 2021 to December 2023.

(iv) Mr. Mou Qingqi and Ms. Wang Han were appointed as directors of the Company with effect from March 2022 until April 2025. Mr. Mou Qingqi was appointed as a supervisor of the Company with effect from April 2025 until May 2025.

(v) Mr. Zhang Xingchen was appointed as a director of the Company with effect from December 2023 until November 2024. Mr. Weng Deming was appointed as a director of the Company with effect from November 2024 until April 2025.

(vi) Mr. Liu Yanfei was appointed as a supervisor of the Company with effect from October 2018.

(vii) Mr. Hu Zhidong, Ms. Yang Minghui and Mr. Li Zexiang were appointed as directors of the Company with effect from April 2025.

(viii) Mr. Zheng Minsheng was appointed as a supervisor of the Company with effect from April 2025.

(ix) Mr. Yu Jiali was appointed as a supervisor of the Company with effect from 27 May 2025.

During the Relevant Periods and six months ended 30 June 2024, share awards were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such awarded 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 for the Relevant Periods is included in the above directors' remuneration disclosures.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and six months ended 30 June 2024.

Save for the non-executive directors, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and six months ended 30 June 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and six months ended 30 June 2024 included three, three, three, three and three directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two, two, two, two and two highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	1,046	1,168	1,210	609	673
Performance related bonus	530	573	597	298	266
Pension scheme contributions	65	66	72	35	32
Share-based payment expenses	1,045	1,045	1,045	523	1,202
	2,686	2,852	2,924	1,465	2,173

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	Numbers of employees			*Numbers of employees*	
				(Unaudited)	
BELOW HK$1,000,000	—	—	—	1	1
HK$1,000,001 to HK$1,500,000	1	1	1	1	—
HK$1,500,001 to HK$2,000,000	—	—	—	—	1
HK$2,000,001 to HK$2,500,000	1	1	1	—	—
HK$2,500,001 to HK$3,000,000	—	—	—	—	—
	2	2	2	2	2

During the Relevant Periods and six months ended 30 June 2024, share awards were granted to two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and six months ended 30 June 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

Woan Technology (Shenzhen) Co., Ltd., a subsidiary of the Group in Mainland China, was qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during the Relevant Periods and six months ended 30 June 2024. This qualification is subject to review by the relevant governmental authority in the PRC for every three years.

Hong Kong

The subsidiaries incorporated in Hong Kong are qualifying entities under the two-tiered profits tax rates regime, where the first HK$2,000,000 of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% during the Relevant Periods and six months ended 30 June 2024.

Japan

For the subsidiary in Japan, a qualifying entity with stated capital no more than JPY100,000,000 was under the two-tiered profits tax rates regime, where the first JPY8,000,000 of assessable profits were taxed at 15% and the remaining assessable profits are taxed at 23.2%, additionally, there were local corporate taxes, business taxes, resident taxes, and local corporate special taxes during the Relevant Periods and six months ended 30 June 2024.

USA

The subsidiaries incorporated in the USA are subject to statutory United States federal corporate income tax at a rate of 21% during the Relevant Periods and six months ended 30 June 2024, and the US subsidiaries are also subject to state income tax in corresponding jurisdictions.

The income tax expense of the Group for the Relevant Periods and six months ended 30 June 2024 is analysed as follows:

	Year ended 31 December			**Six months ended 30 June**	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Current income tax	49	89	400	671	2,318
Deferred income tax	—	—	—	—	(6,095)
Total tax charge/ (credit) for the year/ period	49	89	400	671	(3,777)

A reconciliation of the expected income tax calculated at the preferential tax rate and (loss)/profit before income tax, with the actual income tax at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
(Loss)/profit before tax	(86,934)	(16,287)	(2,674)	(12,970)	24,126
Tax charge at the statutory tax rate of 25%	(21,734)	(4,072)	(669)	(3,243)	6,032
Entities subject to lower statutory income tax rate	8,929	230	(1,557)	(2,900)	(4,985)
Adjustments in respect of current tax of previous periods	—	13	26	26	—
Tax losses utilised from previous periods	(225)	(316)	(657)	(708)	(1,620)
Additional deductible allowance for qualified research and development expenses	(7,388)	(9,261)	(11,817)	(6,108)	(6,877)
Temporary differences and tax losses not recognised	19,913	12,906	14,440	13,258	2,871
Expenses not deductible for tax	554	589	634	346	802
Tax charge/(credit) at the Group's effective tax rate	49	89	400	671	(3,777)

According to the PRC Corporate Income Tax regulations, Woan Technology (Shenzhen) Co., Ltd., a subsidiary of the Group, was entitled to additional deduction of 100% of qualified R&D expenses from taxable income from 2022. The additional deduction percentage was 200% for the amortisation of capitalised development costs.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2024.

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts was based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods and the six months ended 30 June 2024. The weighted average number of ordinary shares in issue for the Relevant Periods before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in April 2025. The additional shares transferred from capital reserve in May 2025 were treated as if it had occurred before the beginning of 2022, the earliest period presented, for the (loss)/earnings per share calculation.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the Relevant Periods and the six months ended 30 June 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
(Loss)/Earnings					
(Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	(86,983)	(16,376)	(3,074)	(13,641)	27,903
Shares					
Weighted average number of ordinary shares in issue during the year, used in the basic (loss)/earnings per share calculation ('000)*	112,274	117,192	117,192	117,192	163,069

* The weighted average number of ordinary shares in issue used in the basic (loss)/earnings per share calculation has been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis, which shall take effect immediately before the listing.

For the details of pre-IPO investments, please refer to note 28 to this report.

13 PROPERTY, PLANT AND EQUIPMENT

The Group

	Furniture and fixtures *RMB'000*	Electronic equipment and others *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2022				
At 1 January 2022				
Cost	2,783	2,992	1,668	7,443
Accumulated depreciation	(793)	(701)	(208)	(1,702)
Net carrying amount	1,990	2,291	1,460	5,741
At 1 January 2022, net of accumulated depreciation	1,990	2,291	1,460	5,741
Additions	2,503	3,265	1,820	7,588
Disposals	—	(8)	—	(8)
Depreciation provided during the year	(1,094)	(1,315)	(596)	(3,005)
At 31 December 2022, net of accumulated depreciation	3,399	4,233	2,684	10,316
At 31 December 2022				
Cost	5,286	6,246	3,488	15,020
Accumulated depreciation	(1,887)	(2,013)	(804)	(4,704)
Net carrying amount	3,399	4,233	2,684	10,316

	Furniture and fixtures *RMB'000*	Electronic equipment and others *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2023				
At 1 January 2023				
Cost	5,286	6,246	3,488	15,020
Accumulated depreciation	(1,887)	(2,013)	(804)	(4,704)
Net carrying amount	3,399	4,233	2,684	10,316
At 1 January 2023, net of accumulated depreciation	3,399	4,233	2,684	10,316
Additions	560	5,665	—	6,225
Disposals	(1)	—	—	(1)
Depreciation provided during the year	(1,552)	(2,693)	(868)	(5,113)
At 31 December 2023, net of accumulated depreciation	2,406	7,205	1,816	11,427
At 31 December 2023				
Cost	5,844	11,912	3,488	21,244
Accumulated depreciation	(3,438)	(4,707)	(1,672)	(9,817)
Net carrying amount	2,406	7,205	1,816	11,427

	Furniture and fixtures *RMB'000*	Electronic equipment and others *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2024				
At 1 January 2024				
Cost	5,844	11,912	3,488	21,244
Accumulated depreciation	(3,438)	(4,707)	(1,672)	(9,817)
Net carrying amount	2,406	7,205	1,816	11,427
At 1 January 2024, net of accumulated depreciation	2,406	7,205	1,816	11,427
Additions	1,142	17,317	1,404	19,863
Disposals	—	—	—	—
Depreciation provided during the year	(1,506)	(6,928)	(1,155)	(9,589)
At 31 December 2024, net of accumulated depreciation	2,042	17,594	2,065	21,701
At 31 December 2024				
Cost	6,987	29,228	4,892	41,107
Accumulated depreciation	(4,945)	(11,634)	(2,827)	(19,406)
Net carrying amount	2,042	17,594	2,065	21,701

The Group

	Furniture and fixtures *RMB'000*	Electronic equipment and others *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
30 June 2025				
At 1 January 2025				
Cost	6,987	29,228	4,892	41,107
Accumulated depreciation	(4,945)	(11,634)	(2,827)	(19,406)
Net carrying amount	2,042	17,594	2,065	21,701
At 1 January 2025, net of accumulated depreciation	2,042	17,594	2,065	21,701
Additions	883	4,974	—	5,857
Assets acquisition *(note 31)*	—	22	—	22
Other deduction	—	—	(254)	(254)
Depreciation provided during the period	(702)	(4,433)	(432)	(5,567)
Exchange realignment	—	—	19	19
At 30 June 2025, net of accumulated depreciation	2,223	18,157	1,398	21,778
At 30 June 2025				
Cost	7,870	34,224	4,661	46,755
Accumulated depreciation	(5,647)	(16,067)	(3,263)	(24,977)
Net carrying amount	2,223	18,157	1,398	21,778

14. INTANGIBLE ASSETS

The Group

	Trademark *RMB'000*	Software *RMB'000*	Development expenditures *RMB'000*	Total *RMB'000*
31 December 2022				
At 1 January 2022				
Cost	—	22	366	388
Accumulated amortisation	—	(22)	—	(22)
Net carrying amount	—	—	366	366
At 1 January 2022, net of accumulated amortisation	—	—	366	366
Additions	—	—	1,527	1,527
Amortisation provided during the year	—	—	(222)	(222)
At 31 December 2022, net of accumulated amortisation	—	—	1,671	1,671
At 31 December 2022				
Cost	—	22	1,893	1,915
Accumulated amortisation	—	(22)	(222)	(244)
Net carrying amount	—	—	1,671	1,671

	Trademark *RMB'000*	Software *RMB'000*	Development expenditures *RMB'000*	Total *RMB'000*
31 December 2023				
At 1 January 2023				
Cost	—	22	1,893	1,915
Accumulated amortisation	—	(22)	(222)	(244)
Net carrying amount	—	—	1,671	1,671
At 1 January 2023, net of accumulated amortisation	—	—	1,671	1,671
Additions	2,990	250	1,637	4,877
Amortisation provided during the year	(25)	(20)	(631)	(676)
At 31 December 2023, net of accumulated amortisation	2,965	230	2,677	5,872
At 31 December 2023				
Cost	2,990	272	3,531	6,793
Accumulated amortisation	(25)	(42)	(854)	(921)
Net carrying amount	2,965	230	2,677	5,872

	Trademark	Software	Development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
At 1 January 2024				
Cost	2,990	272	3,531	6,793
Accumulated amortisation	(25)	(42)	(854)	(921)
Net carrying amount	2,965	230	2,677	5,872
At 1 January 2024, net of accumulated amortisation	2,965	230	2,677	5,872
Additions	—	185	5,329	5,514
Amortisation provided during the year	(298)	(171)	(1,177)	(1,646)
At 31 December 2024, net of accumulated amortisation	2,667	244	6,829	9,740
At 31 December 2024				
Cost	2,990	457	8,860	12,307
Accumulated amortisation	(323)	(213)	(2,031)	(2,567)
Net carrying amount	2,667	244	6,829	9,740

	Trademark	Software	Patent technology	Development expenditures	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
30 June 2025					
At 1 January 2025					
Cost	2,990	457	—	8,860	12,307
Accumulated amortisation	(323)	(213)	—	(2,031)	(2,567)
Net carrying amount	2,667	244	—	6,829	9,740
At 1 January 2025, net of accumulated amortisation	2,667	244	—	6,829	9,740
Assets acquisition *(note 31)*	18	—	23,543	—	23,561
Additions	—	148	—	—	148
Amortisation provided during the period	(150)	(115)	(259)	(1,416)	(1,940)
At 30 June 2025, net of accumulated amortisation	2,535	277	23,284	5,413	31,509
At 30 June 2025					
Cost	3,008	605	23,543	8,860	36,016
Accumulated amortisation	(473)	(328)	(259)	(3,447)	(4,507)
Net carrying amount	2,535	277	23,284	5,413	31,509

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 2 and 10 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

Buildings

	Year ended 31 December			Six months ended 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	29,035	31,030	46,912	45,788
Additions	12,425	29,442	16,991	—
Depreciation charge	(10,430)	(11,451)	(10,988)	(4,594)
Termination	—	—	(7,071)	(1,987)
Sublease of right-of-use assets	—	(2,079)	—	—
Exchange realignment	—	(30)	(56)	118
Carrying amount at 31 December/30 June	31,030	46,912	45,788	39,325

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	31,648	34,826	53,106	51,917
Additions	12,425	29,442	16,991	—
Accretion of interest recognised during the year/period	1,756	1,491	2,436	964
Termination	—	—	(7,363)	(1,987)
Lease payment	(11,003)	(12,617)	(13,193)	(5,855)
Exchange realignment	—	(36)	(60)	121
Carrying amount at 31 December/30 June	34,826	53,106	51,917	45,160
Analysed into:				
Current portion	11,270	12,344	11,641	7,945
Non-current portion	23,556	40,762	40,276	37,215

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Six months ended 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease payments in respect of short-term leases	331	122	88	55
Interest on lease liabilities	1,756	1,491	2,436	964
Depreciation charge of right-of-use assets	10,430	11,451	10,988	4,594
Total amount recognised in profit or loss	12,517	13,064	13,512	5,613

(d) ***The total cash outflow for leases is disclosed in note 32 to the Historical Financial Information.***

The Group as a lessor

The Group subleased certain of its Right-of-use assets to third parties. As the sublease period is approximately the same as the lease period of the head lease, the sublease was classified as a finance lease under IFRS16.

The Group derecognised the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease, resulting a gain from the sublease amounted to RMB1,554,000 recognised for the year ended 31 December 2023.

The net investment in the sublease recognised by the Group is disclosed in note 20 to the Historical Financial Information.

16. INVESTMENT IN A SUBSIDIARY

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment cost	56,153	70,335	74,517	79,526

17. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	30,475	30,700	63,366	72,567
Work in process	26	4,386	3,837	13,957
Finished goods	50,032	37,427	87,355	112,491
Goods in transit	3,056	9,924	9,079	3,731
	83,589	82,437	163,637	202,746

The inventories are net of a write-down of approximately RMB11,857,000, RMB14,511,000, RMB13,481,000 and RMB13,267,000 as at 31 December 2022, 2023, 2024 and 30 June 2025.

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Work in process	2,204	370	—	—
Finished goods	290	560	1,310	550
Goods in transit	—	—	308	324
	2,494	930	1,618	874

The inventories are net of a write-down of approximately RMB4,154,000, RMB7,265,000, RMB5,255,000 and RMB3,950,000 as at 31 December 2022, 2023, 2024 and 30 June 2025.

18. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

The Group

	Leases liabilities	Impairment of financial assets	Impairment of inventories	Unrealized intercompany profit	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2021	4,355	—	—	—	—	4,355
Deferred tax credited to profit or loss during the year	576	—	—	—	—	576
As at 31 December 2022 and 1 January 2023	4,931	—	—	—	—	4,931
Deferred tax credited to profit or loss during the year	2,344	—	—	—	—	2,344
As at 31 December 2023 and 1 January 2024	7,275	—	—	—	—	7,275
Deferred tax debited to profit or loss during the year	(206)	—	—	—	—	(206)
As at 31 December 2024 and 1 January 2025	7,069	—	—	—	—	7,069
Deferred tax (debited)/credited to profit or loss during the period	(1,042)	157	225	5,651	47	5,038
As at 30 June 2025	6,027	157	225	5,651	47	12,107

Deferred tax liabilities

The Group

	Right-of-use assets	**Fair value adjustments**	**Total assets**
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2021	4,355		4,355
Deferred tax charged to profit or loss during the year	575	1	576
As at 31 December 2022 and 1 January 2023	4,930	1	4,931
Deferred tax charged to profit or loss during the year	2,345	(1)	2,344
As at 31 December 2023 and 1 January 2024	7,275	—	7,275
Deferred tax (credited)/charged to profit or loss during the year	(264)	58	(206)
As at 31 December 2024 and 1 January 2025	7,011	58	7,069
Deferred tax credited to profit or loss during the period	(999)	(58)	(1,057)
As at 30 June 2025	6,012	—	6,012

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December			**As at 30 June**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	—	—	—	6,095

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			**As at 30 June**
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	165,615	222,653	280,124	281,325
Deductible temporary differences	20,183	32,869	39,388	48,233
	185,798	255,522	319,512	329,558

The Group has accumulated tax losses in Mainland China of RMB100,182,000, RMB158,151,000, RMB220,374,000 and RMB233,829,000 in aggregate as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, which available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

The Group also has accumulated tax losses in Hong Kong, the United States and Singapore of RMB63,856,000, RMB64,066,000, RMB59,750,000 and RMB47,496,000 in aggregate as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

The Group's accumulated tax losses in Japan of RMB1,577,000 and RMB436,000 as at 31 December 2022 and 2023, respectively. These losses are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

19. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	45,161	62,702	46,288	133,940
Less: impairment of trade receivables	58	611	473	905
Trade receivables, net	45,103	62,091	45,815	133,035

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Due from subsidiaries	16,846	23,133	11,067	23,105
Less: impairment of trade receivables*	—	—	—	—
Trade receivables, net	16,846	23,133	11,067	23,105

* The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

The Group's trade terms with its certain customers are on credit, and the credit period is generally within 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group had a concentration of credit risk as 84.81%, 61.88%, 63.56% and 74.07% of trade receivables is related to the largest customer, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	45,103	62,091	45,815	133,035

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	16,846	23,133	11,067	23,105

The movements in the loss allowance for impairment of the trade receivables are as follows:

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	34	58	611	473
Impairment losses, net *(note 7)*	24	553	(138)	432
At end of year/period	58	611	473	905

An impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

As at 31 December 2022

	Gross carrying amount *RMB'000*	Expected credit loss rate	Expected credit loss *RMB'000*
Trade receivables aged:			
Current	44,876	0.09%	42
Past due:			
Within 1 year	282	4.61%	13
Between 1 and 2 years	3	100.00%	3
	45,161	0.13%	58

As at 31 December 2023

	Gross carrying amount *RMB'000*	Expected credit loss rate	Expected credit loss *RMB'000*
Trade receivables aged:			
Current	60,753	0.61%	369
Past due:			
Within 1 year	1,765	3.29%	58
Between 1 and 2 years	184	100.00%	184
	62,702	0.97%	611

As at 31 December 2024

	Gross carrying amount *RMB'000*	Expected credit loss rate	Expected credit loss *RMB'000*
Trade receivables aged:			
Current	45,081	0.54%	243
Past due:			
Within 1 year	997	2.01%	20
Between 1 and 2 years	210	100.00%	210
	46,288	1.02%	473

As at 30 June 2025

	Gross carrying amount *RMB'000*	Expected credit loss rate	Expected credit loss *RMB'000*
Trade receivables aged:			
Current	133,243	0.51%	685
Past due:			
Within 1 year	489	2.45%	12
Between 1 and 2 years	61	100.00%	61
Between 2 and 3 years	147	100.00%	147
	133,940	0.68%	905

Transfer of trade receivables

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the "Arrangement") and transferred certain trade receivables to a bank. Under the Arrangement, the Group may be required to reimburse the bank for loss of interest if any trade debtors have late payment up to 150 days. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such factored trade receivables, and accordingly, it continued to recognise the full carrying amounts of the factored trade receivables and the associated bank loans.

For the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the aggregate amount of the trade receivables transferred under the Arrangement and the bank loans received associated with the factored trade receivables amounted to RMB118,830,000, RMB146,927,000, RMB183,528,000 and RMB73,347,000 respectively. As at 31 December 2022, 2023, 2024 and 30 June 2025, the original carrying value of the trade receivables transferred under the Arrangement that have not been settled and the associated bank loans recognised was RMB40,207,000, RMB30,200,000, RMB24,479,000 and RMB23,635,000, respectively.

As the Group recognises the associated bank loans for the factored trade receivables, the cash receipts from the banks for the transferred trade receivables are presented as cash inflow from financing activities in the statement of cash flows. When the customers settle trade receivables, cash payment is initially made to the Group and simultaneously transferred to the banks. Therefore, the cash settlement is presented as both cash inflow from operating activities and cash outflow used in financing activities in the same amount in the statement of cash flows.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	5,650	11,571	9,667	14,968
Prepaid other taxes	891	1,224	—	—
Deferred listing expenses	—	—	—	1,798
Right-of-return assets	291	407	728	619
Prepayments	8,895	6,957	10,260	8,238
Net investment in the sublease *(note)*	80	405	375	367
Other receivables and deposit	1,126	1,669	2,083	4,525
Less: Impairment of other receivables and deposit	(60)	(109)	(124)	(286)
	16,873	22,124	22,989	30,229
Non-Current				
Other receivables and deposits	3,238	3,930	3,688	1,715
Net investment in the sublease *(note)*	147	3,386	3,084	2,962
Prepayments for property, plant and equipment	171	3,407	874	608
Less: Impairment of other receivables and deposit	(170)	(366)	(338)	(234)
	3,386	10,357	7,308	5,051

Note: The movements of net investment in the sublease during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	301	227	3,791	3,459
Additions	—	3,633	—	—
Accretion of interests *(note 5)*	12	21	154	70
Cash receipts	(86)	(90)	(486)	(200)
Carrying amount at 31 December/30 June	227	3,791	3,459	3,329
Analysed into:				
Current portion	80	405	375	367
Non-current portion	147	3,386	3,084	2,962

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Value-added tax recoverable	3,086	8,965	8,256	8,237
Deferred listing expenses	—	—	—	1,798
Prepayments	4,263	1,003	78	192
Due from subsidiaries	153,218	235,218	222,522	239,309
Other receivables and deposit	2	7	6	5
Less: Impairment of other receivables and deposit	*	*	*	(1)
	160,569	245,193	230,862	249,540

* Less than RMB1,000

The Company estimated that the expected loss rate for its other receivables due from subsidiaries is minimal.

Other receivables are unsecured, non-interest-bearing and are collectable within one year.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the impairment of the other receivables and deposits were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	118	230	475	462
Impairment losses, net *(note 7)*	112	245	(13)	58
At the end of the year/period	230	475	462	520

21. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

Financial assets at fair value through profit or loss

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structure deposits, at fair value	—	—	54,000	—
Forward exchange agreement, at fair value	8	—	17	—
Foreign exchange swap, at fair value	—	—	374	—
	8	—	54,391	—

Financial liabilities at fair value through profit or loss

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Forward exchange agreement, at fair value	129	—	—	33
Foreign exchange options, at fair value	—	—	68	387
	129	—	68	420

For the details of pre-IPO investments, please refer to note 28 to this report.

The Company

Financial assets at fair value through profit or loss

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structure deposits, at fair value	—	—	18,000	—

The structured deposits issued by banks in Mainland China are classified and measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND TIME DEPOSITS

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	145,265	129,820	62,263	196,990
Time deposits	3,103	2,919	2,983	3,022
Restricted cash	824	510	15,917	900
	149,192	133,249	81,163	200,912
Less:				
Restricted cash*	(824)	(510)	(15,917)	(900)
Time deposits with original maturity over three months:				
— Current	(3,103)	(2,562)	(2,909)	(2,947)
Cash and cash equivalents	145,265	130,177	62,337	197,065
Denominated in:				
RMB	101,657	10,062	18,834	60,328
USD	19,089	22,828	20,824	99,072
JPY	23,642	97,146	38,462	38,674
EUR	2,476	1,950	2,051	1,471
CAD	696	384	391	495
GBP	1,224	612	260	653
Others	408	267	341	219
	149,192	133,249	81,163	200,912

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash balances are deposited with creditworthy banks with no recent history of default.

* As at 31 December 2022, 2023, 2024 and 30 June 2025, the restricted cash of RMB824,000, RMB510,000, RMB15,917,000 and RMB900,000, respectively, was used as the guarantee deposits for the foreign exchange derivatives contracts purchased by the Group which will become unrestricted after the maturity of derivatives products.

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	98,260	28,993	6,047	62,570
	98,260	28,993	6,047	62,570
Cash and cash equivalents	98,260	28,993	6,047	62,570
Denominated in				
RMB	98,260	6,005	4,827	1,985
USD	*	1,068	121	60,585
JPY	*	21,920	1,099	*
	98,260	28,993	6,047	62,570

* Less than RMB1,000

23. TRADE PAYABLES

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	27,677	44,330	28,587	137,492

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	27,563	44,078	28,258	137,208
Over 1 year	114	252	329	284
	27,677	44,330	28,587	137,492

The trade payables are non-interest-bearing and are normally settled on terms on 1–2 months terms.

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	116	493	3,189	5,733
Due to subsidiaries	—	32,616	1,134	75
	116	33,109	4,323	5,808

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	116	33,109	3,107	5,708
Over 1 year	—	—	1,216	100
	116	33,109	4,323	5,808

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payables	14,750	22,753	25,113	19,816
Other tax payables	3,135	4,630	7,900	11,195
Payables for assets acquisition *(note 31)*	—	—	—	16,083
Listing expenses payables	—	—	—	6,818
Other payables	2,237	5,291	10,138	12,142
	20,122	32,674	43,151	66,054

The Company

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll payables	123	236	236	90
Other tax payables	2	4	6	—
Listing expenses payables	—	—	—	4,534
Other payables	17	18	16	15
Due to subsidiaries	—	—	27	1,347
	142	258	285	5,986

Other payables are non-interest-bearing and repayable on demand.

25. INTEREST-BEARING BANK LOANS

The Group

	At 31 December									As at 30 June		
	2022			2023			2024			2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current												
Bank loans — secured*	—	—	—	—	—	—	2.90–3.00	2025	62,771	—	—	—
Bank loans — factored trade receivables**	1.08	2023	40,207	0.98	2024	30,200	1.75	2025	24,479	2.26	2025	23,635
Current portion of long term bank loans — secured***			—			—	2.6	2025	4,000	2.24–2.6	2026	14,303
Total — current			40,207			30,200			91,250			37,938
Non-current												
Bank loans — secured***			—			—	2.6	2026	15,014	2.24–2.6	2027	60,721
Total — non-current			—			—			15,014			60,721
Total			40,207			30,200			106,264			98,659

* The loan, amounting to RMB23,939,000, was guaranteed by the Company and Mr. LI Zhichen as at 31 December 2024. And the loan, amounting to RMB38,832,000, was guaranteed by the Company as at 31 December 2024. This guarantee has been released along with the maturity of the loan during the six months ended 30 June 2025 (note 35).

** It represented the liabilities related to the transferred trade receivables under the factoring arrangement that were not derecognised as at the end of the Relevant Periods (note 19). The loan is guaranteed by the Company, Mr. LI Zhichen and Mr. PAN Yang (note 35). Such guarantee is expected to be released on or before the Listing.

*** The loan was guaranteed by the Company and Mr. LI Zhichen as at 31 December 2024 and 30 June 2025 (note 35). Such guarantee is expected to be released on or before the Listing.

26. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers				
Sale of goods	3,202	3,558	4,553	7,682
Analysed for reporting purposes as:				
Current liabilities	3,202	3,558	4,553	7,682
	3,202	3,558	4,553	7,682

27. PROVISION

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Product warranty provision (a)	5,763	12,828	18,171	20,119
Refund liabilities (b)	716	1,372	2,316	1,892
	6,479	14,200	20,487	22,011

(a) The Group generally provides 12–24 months warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

	Product warranty provision
	RMB'000
At 1 January 2022	4,325
Additional provision *(note 7)*	5,121
Amounts utilised during the year	(3,683)
At 31 December 2022 and 1 January 2023	5,763
At 1 January 2023	5,763
Additional provision *(note 7)*	13,646
Amounts utilised during the year	(6,581)
At 31 December 2023 and 1 January 2024	12,828
At 1 January 2024	12,828
Additional provision *(note 7)*	17,100
Amounts utilised during the year	(11,757)
At 31 December 2024	18,171
At 1 January 2025	18,171
Additional provision *(note 7)*	12,833
Amounts utilised during the period	(10,885)
At 30 June 2025	20,119

(b) Refund liabilities represented the obligation arising from right of return to refund some or all of the consideration received (or receivable) from a customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each of Relevant Periods.

28. SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

Share Capital

A summary of movements in the share capital is as follows:

	Number of shares in issue *(in thousand)*	Share capital *RMB'000*
As at 1 January 2025	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each**	2,492	2,492
Issue of shares (RMB1 each)***	38	38
Capitalisation of reserves (RMB1 each)****	17,470	17,470
As at 30 June 2025	20,000	20,000

Paid-in Capital

	RMB'000
As at 1 January 2022	1,205
Capital contribution by shareholders*	278
As at 31 December 2022 and 2023 and 2024	1,483
As at 1 January 2025	1,483
Capital contribution by shareholders*	1,009
Conversion into a joint stock company**	(2,492)
As at 30 June 2025	—

* During the year ended 31 December 2022, the Company received capital contribution of RMB200,000,000 from four investors. The capital contribution increased the paid-in capital and capital reserve by RMB278,000 and RMB199,722,000, respectively. During the six months ended 30 June 2025, the Company received the subscribed capital of RMB1,009,000 due from the controlling shareholders of the Group.

** In April 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 2,492,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

*** During the six months ended 30 June 2025, the Company received capital contribution of RMB59,058,000 from an investor, which increased the share capital and capital reserve by RMB38,000 and RMB59,020,000, respectively.

**** During the six months ended 30 June 2025, the Company issued 17,470,325 new shares through conversion from capital reserve of RMB17,470,000 to each of the shareholders in proportion to their respective shareholding interests.

On May 27, 2025, resolution was passed by the shareholders approving, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 each shall be sub-divided into 10 shares with a nominal value of RMB0.10 each, and such share subdivision shall take effect immediately before the listing, upon which the registered capital of the Company shall be divided into 200,000,000 shares with a nominal value of RMB0.10 per share.

Pursuant to the shareholders subscription agreements entered into prior to Relevant Periods, on 23 March 2022 and 26 May 2025, the Company issued an aggregate of 1,390,789 ordinary shares (representing the number of shares before capitalisation of reserves) to the Pre-IPO investors at a total net cash proceed amounted to approximately RMB389.68 million (collectively the "**Pre-IPO Investments**"). Pursuant to the above agreements, the Pre-IPO Investors were granted by the Company with special rights which included redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 26 May 2025, 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 throughout the Relevant Periods.

Had the redemption rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in May 2025.

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

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	588,473	671,402	802,034
Total current liabilities	697,559	808,708	1,001,771
Net current liabilities	(402,794)	(508,807)	(633,776)
Net deficits	(379,947)	(475,001)	(604,529)

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

	Year ended 31 December			**Six months ended 30 June**	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial costs associated with the redemption financial liabilities	21,342	82,929	130,632	53,425	625,029
Total net losses	(108,325)	(99,305)	(133,706)	(67,066)	(597,126)
Basic and dilutive loss per share (expressed in RMB)	(0.96)	(0.85)	(1.14)	(0.57)	(3.66)

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Capital reserve

Capital reserve of the Group represents the difference between the value of the paid-up capital and the consideration received.

(ii) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 30 to the Historical Financial Information.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve of the Group represents exchange differences arising from the translation of financial statements of foreign operations.

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 loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	129,543	5,164	(1,985)	132,722
Loss for the year	—	—	(3,241)	(3,241)
Total comprehensive loss for the year	—	—	(3,241)	(3,241)
Capital contribution by shareholders	199,722	—	—	199,722
Share-based payments	—	3,378	—	3,378
At 31 December 2022	329,265	8,542	(5,226)	332,581
At 1 January 2023	329,265	8,542	(5,226)	332,581
Loss for the year	—	—	(3,028)	(3,028)
Total comprehensive loss for the year	—	—	(3,028)	(3,028)
Share-based payments	—	4,181	—	4,181
At 31 December 2023	329,265	12,723	(8,254)	333,734
At 1 January 2024	329,265	12,723	(8,254)	333,734
Loss for the year	—	—	(1,895)	(1,895)
Total comprehensive loss for the year	—	—	(1,895)	(1,895)
Share-based payments	—	4,181	—	4,181
At 31 December 2024	329,265	16,904	(10,149)	336,020
At 1 January 2025	329,265	16,904	(10,149)	336,020
Profit for the period	—	—	1,233	1,233
Total comprehensive income for the period	—	—	1,233	1,233
Share-based payments	—	5,016	—	5,016
Issue of shares	59,020	—	—	59,020
Capitalisation of reserves	(17,470)	—	—	(17,470)
At 30 June 2025	370,815	21,920	(8,916)	383,819

30. SHARE-BASED PAYMENTS

The Group approved a Share Option Scheme in 2019 in order to recognise the contributions of the employees to the growth and development of the Group. Wonder Innovation Technology (Shenzhen) Partnership Enterprise (Limited Partnership) ("Wonder Innovation") was established and designated as the share incentive platform to grant the awards to the eligible participants. The Group has no control over Wonder Innovation.

In September 2018, Wonder Innovation subscribed for 138,886 shares of the Company at a consideration of RMB138,886, Wonder Innovation also acquired 41,668 shares and 27,779 shares of the Company from Li Zhichen and Pan Yang , respectively, at RMB1.00. On 20 December 2019, 1 July 2021, 31 August 2022, 31 January 2025, and 18 March 2025, the Group granted 147,619, 12,659, 18,389, 17,639 and 17,313 share options, respectively, which will be vested in instalments over the next four years. The vesting of share options is also subject to the IPO Condition. The IPO Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognised stock exchange. The exercise prices of share options ranged from RMB0.00 to RMB722.26 per share.

The fair values of the share option granted were estimated as at the grant date by using the Black-Scholes option pricing model. The following table lists the key inputs to the fair value model used:

	20 December 2019	**1 July 2021**	**31 August 2022**	**31 January 2025**	**18 March 2025**
Risk-free interest rate (%)	3.10	2.40–2.91	1.73–2.38	1.24–1.40	1.55–1.64
Volatility (%)	N/A	39.80	38.39	42.37	42.64

The share options granted and outstanding during the Relevant Periods are as follows:

	Weighted average exercise price *RMB per share*	**Number of share options***
At 1 January 2022	0.08	156,706
Granted during the year	46.03	18,389
At 31 December 2022	4.91	175,095
At 1 January 2023	4.91	175,095
Forfeited during the year	150.57	1,020
At 31 December 2023 and 2024	4.05	174,075
At 1 January 2025	4.05	174,075
Granted during the period	363.99	34,952
Forfeited during the period	287.50	900
At 30 June 2025	63.27	208,127

* The number of share options refer to the shares before capitalisation of reserves.

The aforesaid transactions have been accounted for as share-based payment transactions. During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, the Group recognised share award expenses of RMB3,378,000, RMB4,181,000, RMB4,181,000, RMB2,091,000 and RMB5,041,000 respectively.

31. ASSETS ACQUISITION

In June 2025, Woan Technology (Shenzhen) Co., Ltd. ("Woan"), a wholly-owned subsidiary of the Group, entered into the agreement with Yanyuan 45th Jia Technology Shenzhen Co., Ltd. ("Yanyuan"), an independent third party of the Group, pursuant to which, Woan agreed to acquire target assets including trademarks, patent technology, and electronic equipment from Yanyuan for a total consideration of RMB25 million. Of the total consideration, RMB7.5 million and RMB7.5 million were paid to Yanyan in June 2025 and August 2025 respectively, and the remaining consideration of RMB10 million (including value-added tax) is expected to settle in September 2025.

As at 30 June 2025, the closing conditions as set out in the agreement has been satisfied, the physical assets and all relevant materials related to the target assets have been delivered and accepted by Woan, and application for the transfer of trademarks and patent technology to Woan has been submitted and accepted by the competent authorities. In the opinion of the directors, the Group has obtained control of the assets and recognised the intangible assets and property, plant and equipment of RMB23,561,000 and RMB22,000 (excluding value-added tax), respectively, based on the allocated consideration in proportion to the respective fair value of each asset.

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB12,425,000, RMB29,442,000, RMB16,991,000 and RMB16,981,000, and nil respectively, in respect of lease arrangements for buildings premises.

During the year ended 31 December 2023, the Group subleased some of its right-of-use assets to a third party which was classified as a finance lease. The Group derecognised the right-of-use assets in the amount of RMB3,633,000 and recognized the net investment in the sublease in the amount of RMB2,079,000, resulting a gain on the sublease of RMB1,554,000.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest bearing bank borrowings from factored trade receivables *RMB'000*	Interest bearing bank loans *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At 1 January 2022	—	—	31,648	31,648
Changes from financing cash flow	39,541	—	(11,003)	28,538
New Lease	—	—	12,425	12,425
Accretion of interest	666	—	1,756	2,422
At 31 December 2022 and 1 January 2023	40,207	—	34,826	75,033

	Interest bearing bank borrowings from factored trade receivables	Interest bearing bank loans	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Changes from financing cash flow	(10,756)	—	(12,617)	(23,373)
New Lease	—	—	29,442	29,442
Accretion of interest	749	—	1,491	2,240
Foreign exchange movement	—	—	(36)	(36)
At 31 December 2023 and 1 January 2024	30,200	—	53,106	83,306
Changes from financing cash flow	(6,419)	80,510	(13,193)	60,898
New Lease	—	—	16,991	16,991
Termination	—	—	(7,363)	(7,363)
Accretion of interest	698	1,275	2,436	4,409
Foreign exchange movement	—	—	(60)	(60)
At 31 December 2024	24,479	81,785	51,917	158,181
At 31 December 2024 and 1 January 2025	24,479	81,785	51,917	158,181
Changes from financing cash flow	(1,242)	(7,564)	(5,855)	(14,661)
New Lease	—	—	—	—
Termination	—	—	(1,987)	(1,987)
Accretion of interest	398	803	964	2,165
Foreign exchange movement	—	—	121	121
At 30 June 2025	23,635	75,024	45,160	143,819

	Interest bearing bank borrowings from factored trade receivables	Interest bearing bank loans	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023 and 1 January 2024	30,200	—	53,106	83,306
Changes from financing cash flow (unaudited)	6,271	27,196	(6,324)	27,143
New Lease (unaudited)	—	—	16,981	16,981
Termination (unaudited)	—	—	(6,851)	(6,851)
Accretion of interest (unaudited)	325	104	1,309	1,738
Foreign exchange movement (unaudited)	—	—	(188)	(188)
At 30 June 2024 (unaudited)	36,796	27,300	58,033	122,129

(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			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Within operating activities	331	122	88	41	55
Within financing activities	11,003	12,617	13,193	6,324	5,855
	11,334	12,739	13,281	6,365	5,910

33. PLEDGE OF ASSETS

Details of the Group's restricted cash and factored trade receivables are included in note 22 and note 19 to the Historical Financial Information.

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods.

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Purchase of items of property, plant and equipment	1,344	1,334	2,421	1,235

35. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following are related parties that have material transactions or balances with the Group during the Relevant Periods and six months ended 30 June 2024.

(a) Name and relationships of the related parties

Name	**Relationship**
Mr. Li Zhichen	Director
Mr. Liu Yanfei	Director

(b) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to related parties:				
Mr. Liu Yanfei*	4	5	5	—
Mr. Li Zhichen*	12	11	11	—
	16	16	16	—

* Non-trade in nature, included in "Other payables and accruals" in the consolidated statement of financial position.

(c) Guarantee provided by related parties:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mr. LI Zhichen	34,823	30,200	67,432	98,659
Mr. PAN Yang	34,823	30,200	24,479	23,635

The above guarantees were provided free of charge with the duration period from 2022 to 2027. And the guarantees provided by related parties are expected to be released on or before the listing.

Redemption rights of the Pre-IPO investors granted by the Mr. LI Zhichen and Mr. PAN Yang

According to the share subscription agreements and supplemental agreement entered into by the Company and the shareholders from October 2017 to May 2025, the Pre-IPO investors were granted the redemption right by Mr. LI Zhichen and Mr. PAN Yang. Pursuant to another supplemental agreement entered into by the Company and the shareholders in May 2025, the redemption rights granted by the Mr. LI Zhichen and Mr. PAN Yang will be terminated immediately before the listing date.

The Company has not provided any form of guarantee in connection with any potential failure of the Mr. LI Zhichen and Mr. PAN Yang to fulfill his obligations relating to the redemption rights granted by Mr. LI Zhichen and Mr. PAN Yang. Accordingly, as the redemption rights by Mr. LI Zhichen and Mr. PAN Yang do not constitute any obligation of the Company, no financial liability regarding such rights were recorded by the Company during the Relevant Periods.

For the details of pre-IPO investments, please refer to note 28 to this report.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries, allowances and benefits in kind	2,529	2,901	3,338	1,640	3,058
Performance related bonus	1,517	1,929	1,688	832	738
Pension scheme contributions	149	169	228	102	185
Equity-settled share-based payment expenses	1,106	1,347	1,347	674	1,627
	5,301	6,346	6,601	3,248	5,608

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

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 were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at fair value through profit and loss:				
Structured deposits and Derivative financial instruments	8	—	54,391	—
Financial assets at amortised cost:				
Trade receivables	45,103	62,091	45,815	133,035
Financial assets included in deposit and other receivables	4,361	8,915	8,768	9,049
Restricted cash	824	510	15,917	900
Time deposits	3,103	2,562	2,909	2,947
Cash and cash equivalents	145,265	130,177	62,337	197,065
	198,656	204,255	135,746	342,996
Financial liabilities				
Financial liabilities at fair value through profit and loss:				
Derivative financial instruments	129	—	68	420
Financial liabilities at amortised cost:				
Trade payables	27,677	44,330	28,587	137,492
Financial liabilities included in other payables and accruals	2,237	5,291	10,138	35,043
Lease liabilities	34,826	53,106	51,917	45,160
Interest-bearing bank loans	40,207	30,200	106,264	98,659
	104,947	132,927	196,906	316,354

For the details of pre-IPO investments, please refer to note 28 to this report.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets and financial liabilities at fair value through profit and loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Financial assets:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	8	—	8

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Structured deposits and Derivative financial instruments	—	54,391	—	54,391

Financial liabilities:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	129	—	129

As at 31 December 2024

	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	68	—	68

As at 30 June 2025

	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Derivative financial instruments	—	420	—	420

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term borrowings. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at floating interest rates. At 31 December 2024 and 30 June 2025, approximately 100% of the Group's long-term interest-bearing borrowings bore interest at floating rates. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax** *RMB'000*	**Increase/ (decrease) in equity*** *RMB'000*
Year ended 31 December 2022			
JPY	50/(50)	(201)/201	—
Year ended 31 December 2023			
JPY	50/(50)	(151)/151	—
Year ended 31 December 2024			
RMB	50/(50)	(409)/409	—
JPY	50/(50)	(122)/122	—
Six months ended 30 June 2025			
RMB	50/(50)	(147)/147	—
JPY	50/(50)	(118)/118	—

* Excluding retained profits

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)/profit before tax (due to changes in the translated value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in foreign currency exchange rates	**Increase/ (decrease) in profit before tax**	**(Decrease)/ increase in equity**
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2022			
If RMB weakens against the USD	5	1,017	1,017
If RMB strengthens against the USD	5	(1,017)	(1,017)
If RMB weakens against the JPY	5	2,453	2,453
If RMB strengthens against the JPY	5	(2,453)	(2,453)
Year ended 31 December 2023			
If RMB weakens against the USD	5	1,189	1,189
If RMB strengthens against the USD	5	(1,189)	(1,189)
If RMB weakens against the JPY	5	4,903	4,903
If RMB strengthens against the JPY	5	(4,903)	(4,903)
Year ended 31 December 2024			
If RMB weakens against the USD	5	1,025	1,025
If RMB strengthens against the USD	5	(1,025)	(1,025)
If RMB weakens against the JPY	5	1,503	1,503
If RMB strengthens against the JPY	5	(1,503)	(1,503)
Six months ended 30 June 2025			
If RMB weakens against the USD	5	5,345	5,345
If RMB strengthens against the USD	5	(5,345)	(5,345)
If RMB weakens against the JPY	5	3,735	3,630
If RMB strengthens against the JPY	5	(3,735)	(3,830)

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, time deposits, restricted cash and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	—	45,161	45,161
Financial assets included in deposits and other receivables	4,591	—	—	—	4,591
Restricted cash	824	—	—	—	824
Time deposits	3,103	—	—	—	3,103
Cash and cash equivalents	145,265	—	—	—	145,265
	153,783	—	—	45,161	198,944

As at 31 December 2023

	12-month ECLs	**Lifetime ECLs**			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	—	62,702	62,702
Financial assets included in deposits and other receivables	9,390	—	—	—	9,390
Restricted cash	510	—	—	—	510
Time deposits	2,562	—	—	—	2,562
Cash and cash equivalents	130,177	—	—	—	130,177
	142,639	—	—	62,702	205,341

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	—	46,288	46,288
Financial assets included in deposits and other receivables*	9,230	—	—	—	9,230
Restricted cash	15,917	—	—	—	15,917
Time deposits	2,909	—	—	—	2,909
Cash and cash equivalents	62,337	—	—	—	62,337
	90,393	—	—	46,288	136,681

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	—	—	—	133,940	133,940
Financial assets included in deposits and other receivables*	9,569	—	—	—	9,569
Restricted cash	900	—	—	—	900
Time deposits	2,947	—	—	—	2,947
Cash and cash equivalents	197,065	—	—	—	197,065
	210,481	—	—	133,940	344,421

* The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2022

	Less than 12 months or on demand	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	27,677	—	27,677
Financial liabilities at fair value through profit and loss	124	—	124
Financial liabilities included in other payables and accruals	2,237	—	2,237
Lease liabilities	12,660	24,746	37,406
Interest-bearing bank loans	40,632	—	40,632
	83,330	24,746	108,076

As at 31 December 2023

	Less than 12 months or on demand	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	44,330	—	44,330
Financial liabilities included in other payables and accruals	5,291	—	5,291
Lease liabilities	15,929	45,419	61,348
Interest-bearing bank loans	30,498	—	30,498
	96,048	45,419	141,467

As at 31 December 2024

	Less than 12 months or on demand	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	28,587	—	28,587
Financial liabilities at fair value through profit and loss	68	—	68
Financial liabilities included in other payables and accruals	10,138	—	10,138
Lease liabilities	13,512	47,010	60,522
Interest-bearing bank loans	93,643	15,479	109,122
	145,948	62,489	208,437

As at 30 June 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	137,492	—	137,492
Financial liabilities at fair value through profit and loss	420	—	420
Financial liabilities included in other payables and accruals	35,043	—	35,043
Lease liabilities	9,569	43,211	52,780
Interest-bearing bank loans	38,814	62,128	100,942
	221,338	105,339	326,677

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	341,168	374,469	452,532	670,680
Total liabilities	132,642	178,068	255,027	379,579
Asset-liability ratio*	39%	48%	56%	57%

* Asset-liability ratio is calculated by dividing total liabilities by total assets.

39. EVENTS AFTER THE REPORTING PERIOD

There is no significant subsequent event undertaken by the Company after 30 June 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 30 June 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for inclusion in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at 30 June 2025 or at any future date.

	Consolidated net tangible assets attributable to owners of the Company as at 30 June 2025	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 30 June 2025**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 30 June 2025**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2, 4)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$63.00 per Share	259,592	1,201,471	1,461,063	6.57	7.23
Based on an Offer Price of HK$72.00 per Share	259,592	1,378,637	1,638,229	7.37	8.11
Based on an Offer Price of HK$81.00 per Share	259,592	1,555,804	1,815,396	8.17	8.99

Notes:

(1) The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2025 were equal to the audited net assets attributable to owners of the Company as at 30 June 2025 of RMB291,101,000 after deducting of intangible assets of RMB31,509,000 as of 30 June 2025 set out in the Accountants' Report in Appendix I in this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$63.00, HK$72.00 or HK$81.00 per Share, after the 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 shares which may be issued upon exercise of the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 22,222,300 H Shares will be issued pursuant to the Global Offering and 200,000,000 Unlisted Shares will be converted into H Shares assuming the Global Offering have been completed on 30 June 2025 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by the Company.

(4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi ("**RMB**") at an exchange rate of HK$1.00 to RMB0.90862 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is converted from RMB into Hong Kong dollars at the same exchange rate. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2025.

(6) No dividend was paid or declared by the Company subsequent to 30 June 2025 and up to the Latest Practicable Date.

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.

EY 安永

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To the Directors of OneRobotics (Shenzhen) Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of OneRobotics (Shenzhen) Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 June 2025, and related notes as set out on pages II-1 and II-2 of the prospectus dated 18 December 2025 issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II(A) to the prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2025 as if the transaction had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 June 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong
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TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

TAXATION IN MAINLAND CHINA

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "IIT Law"), latest amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the STA and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via public offerings and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via public offerings and market transfer and held for less than one month (including one month), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (including one year), 50% of the income from dividends and bonuses therefrom shall temporally be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant to the Arrangement between the 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》) (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income"), signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the 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 (《國家稅務總局關於〈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》) (the "Fifth Protocol"), issued by the STA and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

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》) (the "EIT Law") promulgated by the SCNPC, latest amended and became effective on December 29, 2018, and the Implementation Regulations for 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》) promulgated by the State Council, last amended and became effective on April 23, 2019, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《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 STA and effective on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), issued by the STA and effective on December 12, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on October 14, 2019 and became effective on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

Tax on Gains from Share Transfer

VAT and Local Surcharges

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (the "Circular 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

According to the provisions above, upon the sale or disposal of H shares, the holders are exempt from VAT in the PRC if they are non-resident individuals; in case the holders are non-resident enterprises, they may not be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located outside of the PRC whereas the holders may be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located in the PRC.

Income tax

Individual Investors

According to the IIT Law and its implementation rules, individuals are subject to individual income tax at the rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Under the Circular of the MOF and STA on Declaring that Individual Income Tax Continues to Be Exempted over Individual Income Tax from 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》(the "Circular 61") issued by the MOF and STA on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax. According to Announcement about the Catalog of Preferential Individual Income Tax Policies with Continued Effect (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》) issued by the MOF and STA on December 29, 2018, the Circular 61 will continue to be effective.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are 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 tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Taxation Policy of Shanghai-Hong Kong Stock Connect

Under the Notice of the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) which was issued on October 31,2014 and came into effect on November 17, 2014, for dividends and bonus obtained by mainland individual investors investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to the CSDC for provision by CSDC to the H-share companies register of individual investors in Mainland China, and the H-share companies shall withhold individual income tax at the rate of 20%. Income from share dividend derived by Mainland China corporate investors from investment in shares listed on the Stock Exchange through the Shanghai-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax pursuant to the law. Income from share dividend derived by a Mainland China resident enterprise for holding H shares over 12 consecutive months shall be exempted from enterprise income tax pursuant to the law. The H shares company is not required to withhold income tax on share dividend for its Mainland China corporate investors, and the corporate investors shall make declaration and payment for the tax payable amount voluntarily. Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Mainland China and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Taxation Policy of Shenzhen-Hong Kong Stock Connect

Under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) which was promulgated on November 5, 2016 and came into effect on December 5, 2016, for dividends and bonus income obtained by mainland individual investors investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for provision by CSDC to the H-share companies register of individual investors in Mainland China, and individual income tax shall be withheld by H-share companies at the tax rate of 20%.

Income from dividends and bonuses derived by a corporate investor in Mainland China from investment in shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in the total income amount, and subject to enterprise income tax pursuant to the law. Income from dividends and bonuses derived by a Mainland China resident enterprise for H shares held for 12 months consecutively shall be exempted from enterprise income tax pursuant to the law. The H shares company shall not withhold income tax on dividends and bonuses for corporate investors in Mainland China, and the tax payable amount shall be declared and paid by the corporate investor.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between Mainland China and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation rules, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the uniform tax rate of 25%.

According to the Notice of the Ministry of Finance and the State Taxation Administration of the Preferential Enterprise Income Tax Policies for the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (財政部稅務總局關於延續深圳前海深港現代服務業合作區企業所得稅優惠政策的通知) dated May 27, 2021, and will be effective until December 31, 2025, enterprises that meet the conditions and are located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone are subject to a reduced corporate income tax rate of 15%. To enjoy the aforementioned preferential policies, enterprises must meet the conditions of having their main business as the industrial projects specified in the Corporate Income Tax Preferential Directory in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone (2021 Edition) (前海深港現代服務業合作區企業所得稅優惠目錄(2021版)), and their main business revenue must account for more than 60% of the total revenue. Cross-border logistics business is classified as the first category of industrial projects "modern logistics industry" in the Corporate Income Tax Preferential Directory in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone (2021 Edition) (前海深港現代服務業合作區企業所得稅優惠目錄(2021版)) and is eligible for a 15% income tax preference.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council, last amended and became effective on November 19, 2017 and the Implementation Rules for the Provisional 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》) promulgated by the MOF on December 25, 1993, latest amended on October 28, 2011 and became effective on November 1, 2011, all entities or individuals in the PRC engaging in the sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of Value-added Tax (the "VAT") and shall pay VAT. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%, the rate for sale of service is 6% unless otherwise specified.

In accordance with Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), which became effective on May 1, 2018, the deduction rates of 17% or 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% or 10%.

According to Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) promulgated by the MOF, the STA and the General Administration of Customs on March 20, 2019 and became effective from April 1, 2019, for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

TRANSFER PRICING

Pursuant to the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》), which was promulgated on September 4, 1992 by the SCNPC and last amended on April 24, 2015, and its implement rules, and the EIT Law and its implement rules, related party transactions should comply with the arm's length principle. In the event that the related party transactions fail to comply with the arm's length principle resulting in the reduction of the enterprise's taxable income, the tax authority has power to make adjustments with reasonable methods within ten years from the tax paying year that the non-compliant related party transaction had occurred.

Based on the Announcement of the State Administration of Taxation on Matters Relating to the Improvement of Affiliated Declaration and Contemporaneous Document Management (《國家稅務總局關於完善關聯申報和同期資料管理有關事項的公告》), promulgated and became effective on June 29, 2016, enterprises, which have related-party transactions with volume exceeding certain threshold shall prepare their contemporaneous documentation of related-party transactions per tax year and submit to the tax authority if required.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The State Administration of Foreign Exchange (the "SAFE"), authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on August 5, 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the 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 became effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control Pertaining to 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》) promulgated by the SAFE on December 26, 2014, a domestic company shall complete registration formalities for overseas listing with the SAFE's local branch at its place of registration within 15 working days from completion of issuance for its overseas listing. Funds raised from overseas listing of a domestic company may be repatriated to China or deposited overseas, and the usage of funds shall be consistent with the relevant contents set out in the prospectus document or disclosure documents such as the corporate bonds offering documentation, shareholders' circular and the board of directors or shareholders' meeting resolution.

According to the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE on June 9, 2016, domestic institutions may settle their foreign exchange receipts under the capital account (including repatriated funds raised through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. Domestic institutions may, at their discretion, settle up to 100% of their foreign exchange receipts under the capital account for the time being. The SAFE may adjust the aforesaid proportion in due time in light of the balance of payment.

This appendix contains a summary of the laws and regulations relating to companies and securities in the PRC. The primary purpose of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us and is not intended to cover all information important to potential investors. For a discussion of the laws and regulations that specifically govern our business, please refer to the "Regulatory Overview".

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "Constitution")), which was adopted on December 4, 1982 and last amended on March 11, 2018. The PRC legal system is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions, international treaties of which the PRC government is a signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People's Congress (the "NPC") and its Standing Committee are empowered to exercise the legislative power of the State in accordance with the Constitution and the PRC Legislation Law (《中華人民共和國立法法》, the "Legislation Law"), which was adopted on July 1, 2000 and last amended on March 13, 2023. The NPC has the power to formulate and amend basic laws governing state organs, civil, criminal and other matters. The Standing Committee of the NPC 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 the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, People's Bank of China, National Audit Office, the subordinate institutions with administrative functions directly under the State Council and the institutions required by the law may formulate departmental regulations within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities. According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC.

According to the Resolution of the Standing Committee of the National People's Congress 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》) implemented on June 10, 1981, the Supreme People's Court of the PRC has the power to give interpretation on issues related to the application of laws in a court trial, and issues related to the application of laws in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations and Supreme People's Procuratorate's interpretations, such issues shall be reported to the Standing Committee of the NPC for interpretation or judgment. The other issues related to laws other than the abovementioned 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 laws is vested in the regional legislative and administrative authorities which promulgate such laws.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

A people's court takes the rule of the second instance as the final rule. A party 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, and judgments or rulings of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "Civil Procedure Law"), which was adopted in 1991 and last amended in 2023, and took effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by 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 substantially connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a PRC court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the People's Republic of China is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. 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 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 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 apply to a foreign court with jurisdiction or recognition in accordance with the international treaties that China has concluded or acceded to or on a reciprocal basis. A foreign judgment or ruling may also be recognized and enforced by the people's court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, international treaties with the relevant foreign country, which provided for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or against the social and public interests.

THE COMPANY LAW, THE INTERIM MEASURES FOR THE ADMINISTRATION OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC ENTERPRISE AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The Company Law which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, amended or revised on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, and the latest revised Company Law has been implemented on July 1, 2024;

- The Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (the "Overseas Listing Trial Measures") and the Applicable Guidelines under Regulatory Rules for Overseas Issuance which were promulgated by the CSRC on February 17, 2023, came into effect on March 31, 2023, applicable to the overseas share offering and listing of domestic joint stock limited companies. If a domestic company directly issues and lists securities in an overseas market, it shall formulate articles of association with reference to the provisions of the CSRC's "Guidelines for the Articles of Association of Listed Companies" (《上市公司章程指引》), which was promulgated by the CSRC on March 16, 2006, with the latest revised version promulgated and implemented on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and Guidelines for Articles of Association of Listed Companies.

General

A "joint stock limited company" (or "company") refers to a corporate legal person incorporated in China under the Company Law with its registered capital divided by stocks. 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.

Incorporation

A joint stock limited company may be incorporated by promotion or public offering.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters of the offering and establishment of a joint stock company must convene an establishment meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the establishment meeting 15 days before the meeting. The establishment meeting shall only be held with the presence of subscribers representing a majority of voting rights. At the establishment meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the establishment meeting require the approval of subscribers with a majority voting rights present at the meeting. The convening and voting procedures of the founding meeting of a joint stock company established by way of promotion shall be stipulated by the articles of association or the promoters' agreement.

Within 30 days after the conclusion of the establishment meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

When the shareholders engage in civil activities for the establishment of the company, the legal consequences shall be borne by the company. If a shareholder at the time of establishment causes damage to others due to the performance of the company's establishment duties, the company or the no-fault shareholder may recover compensation from the at-fault shareholder after assuming the liability for compensation.

Share capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights, land use rights, equity, claims and other non-monetary property based on their appraised value. If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out.

Allotment and issue of shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Overseas Listing Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

To issue shares overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas.

Transfer of Shares

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder shall be made by means of an endorsement or by other means stipulated by applicable laws and regulations. Company shall register the name of the transferee in the register of shareholders after such transfer.

Shares issued by a company before its public offering of shares shall not be transferred within one year of the date on which the company's stock is listed for trading on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during their term of office determined upon taking office and shall not transfer any share of the company held by each of them within one year after the listing date. There is no restriction under the Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Registered shares

The shares issued by a company shall be registered shares. Where the stock is in paper form, the following main items shall be stated:

(1) company name;

(2) the date of establishment of the company or the time of issuance of shares; and

(3) the type of shares, the par value and the number of shares represented, and the number of shares represented by the shares issued without par value.

If the stock is in paper form, the serial number of the stock shall also be indicated, signed by the legal representative, and stamped by the company. If the promoter's shares are in paper form, the words "promoter's shares" shall be indicated.

Increase of share capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, the class and amount of new shares to be issued to existing shareholders and the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made. A company conducting a public offering of shares shall register the offering with the securities regulatory authority under the State Council and publish a prospectus. After the issued shares have been fully subscribed and paid for, the company shall issue a public announcement.

When a joint stock company issues new shares for the purpose of increasing the registered capital, the shareholders shall not enjoy the preemptive right of subscription, unless the articles of association of the company provide otherwise or the shareholders' meeting decides that the shareholders shall enjoy the preemptive right of subscription.

Reduction of share capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(1) it shall prepare a balance sheet and a property list;

(2) the reduction of registered capital shall be approved by a shareholders' meeting;

(3) it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days or the National Enterprise Credit Information Publicity System after the resolution approving the reduction has been passed;

(4) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts;

(5) it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' interest.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) of the preceding paragraph shall be subject to a resolution of a meeting of the board of directors with two-thirds or more of the directors present, as stipulated in the articles of association or authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, public centralized trading shall be adopted.

Shareholders

Under the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

(1) the right to attend or appoint a proxy to attend shareholders' meetings and to vote thereat;

(2) the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;

(3) the right to inspect and copy the company's articles of association, share register, minutes of shareholder's meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;

(4) the right to bring an action in the people's court to rescind resolutions passed by shareholder's meetings and board of directors where the articles of association is violated by the above resolutions;

(5) the right to receive dividends and other types of interest distributed in proportion to the number of shares held, unless the articles of association provide otherwise;

(6) in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and

(7) other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association. Any shareholder causing losses to the company or other shareholders by abusing a shareholder's rights shall assume compensatory liability according to the law.

Any shareholder causes serious damage to the interests of creditors of the company by abusing the company's independent corporate status and a shareholder's limited liability to evade debts shall be jointly and severally liable for the debts of the company.

Shareholders' meetings

The shareholders' meeting is the governing authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' meeting exercises the following principal powers:

(1) to elect or remove the directors and supervisors (other than the representative supervisors of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;

(2) to examine and approve reports of the board of directors;

(3) to examine and approve reports of the board of supervisors;

(4) to examine and approve the company's proposals for profit distribution plans and loss recovery plans;

(5) to decide on any increase or reduction of the company's registered capital;

(6) to decide on the issue of bonds by the company;

(7) to decide on issues such as merger, division, dissolution, liquidation of the company, change of corporate form of the company and other matters;

(8) to amend the articles of association; and

(9) other powers as provided for in the articles of association.

Shareholders' meetings are required to be held once every year. Under the Company Law, an extraordinary meeting is required to be held within two months after the occurrence of any of the following:

(1) the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;

(2) the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;

(3) when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary meeting;

(4) whenever the board of directors deems necessary;

(5) when the board of supervisors so requests; or

(6) other circumstances as provided for in the articles of associations.

Under the Company Law, shareholders' meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary meetings shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, except for shareholders of non-ordinary shares. However, shares held by the company do not carry voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote. Pursuant to the Company Law, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The host of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of directors

Under the Company Law, a joint stock limited company shall have a board of directors, which shall consist of three or more members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

(1) to convene the shareholders' meetings and report on its work to the shareholders' meetings;

(2) to implement the resolutions passed in shareholders' meetings;

(3) to decide on the company's business plans and investment proposals;

(4) to formulate the company's profit distribution proposals and loss recovery proposals;

(5) to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;

(6) to prepare plans for the merger, division, dissolution and change in the form of the company;

(7) to decide on the set-up of internal management organization of the company;

(8) to decide on appointment or dismissal of company managers and their remuneration, and decide on appointment or dismissal of deputy managers and person in charge of finance of the company based on the nomination by the managers;

(9) to formulate the company's basic management system; and

(10) to exercise any other power under the articles of association or granted by the shareholders' meeting.

Board meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights or more than one-third of the directors or board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person.

If a director is unable to attend a board meeting, he/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. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, resolutions of 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 may be released from that liability.

Qualification of directors

The Company Law provides that the following persons may not serve as a director:

(1) a person who is unable or has limited ability to undertake any civil liabilities;

(2) a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;

(3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

(4) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license or shutdown order; or

(5) a person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

In addition, pursuant to the Guidelines for the Articles of Association of Listed Companies, where a director of a company is a natural person who has been subject to a securities market entry prohibition measure imposed by the CSRC, he/she shall not be able to act as a company director until the period of such measure has expired.

Chairman of the board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his/her duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Board of supervisors

A joint stock limited company may have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his/her duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties in accordance with the laws, administrative regulations and 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.

The board of supervisors of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors. The board of supervisors exercises the following powers:

(1) to review the company's financial position;

(2) 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, administrative regulations, the articles of association or the resolutions of shareholders' meeting;

(3) when the acts of directors and senior management are detrimental to the company's interests, to require correction of those acts;

(4) 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' meeting under the Company Law;

(5) to initiate proposals for resolutions to shareholders' meeting;

(6) to initiate proceedings against directors and senior management officers pursuant to the relevant provisions of the Company Law; and

(7) other powers specified in the articles of association.

Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

The Company may in accordance with the provisions of its articles of association, set up an audit committee consisting of directors in the board of directors to exercise the powers and functions of the board of supervisors provided in the PRC Company Law, and may exempt from the requirements of having a board of supervisors or supervisors. According to the Guidelines for the Articles of Association of Listed Companies last amended on March 28, 2025, a listed company should set up audit committee to exercise the powers and functions of the board of supervisors provided in the PRC Company Law.

Manager and senior management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors and exercise functions and powers as specified in the articles of association or as authorized by the board of directors.

The manager shall attend meetings of the board of directors as a non-voting attendee.

According to the Company Law, senior management refers to the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of directors, supervisors and senior management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have duty of loyalty and duty of diligence to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors, supervisors and senior management are prohibited from:

(1) embezzling company property, misappropriation of the company's capital;

(2) depositing the company's capital into accounts under his own name or the name of other individuals;

(3) accepting commissions paid by a third party for transactions conducted with the company;

(4) unauthorized divulgence of confidential business information of the company; or

(5) other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes any law, administrative regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable to the company.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, senior management officers of a company shall faithfully perform their duties and safe guard the best interests of the company and all its shareholders. Senior management of a company shall be liable for compensation in accordance with the law if they fail to faithfully perform their duties or breach their duty of good faith and cause damage to the interests of the company and holders of public shares.

Merger and Division

Where companies are combined, the parties to the combination shall enter into an agreement on the combination, and prepare balance sheets and lists of property. Each company shall, within ten days of adoption of a resolution regarding the combination, notify the creditors, and within 30 days, issue an announcement in a newspaper or the National Enterprise Credit Information Publicity System. The creditors may, within 30 days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, require the company to repay debts or provide corresponding security.

Where companies are combined, the surviving company or the newly formed company shall succeed to the claims and debts of the parties to the combination Where a company is divided, the property of the company shall be divided accordingly.

Where a company is divided, the company shall prepare a balance sheet and list of property. The company shall, within ten days of adoption of a resolution regarding the division, notify the creditors, and within 30 days, issue an announcement in a newspaper or the National Enterprise Credit Information Publicity System.

The companies after division are jointly and severally liable for the debts of the company before division, unless a written agreement reached before division by the company and the creditors on debt repayment provides otherwise.

Finance and accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the competent financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the company's financial reports shall be made available for shareholders' inspection at the company 20 days before the convening of an annual general meeting. A joint stock limited company that has publicly offered shares shall publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached over 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous years, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meeting, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the company's articles of association. Shares held by the Company shall not be entitled to any distribution of profit.

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. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used in accordance with relevant regulations. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and dismissal of accounting firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meeting, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, board of directors or board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, accounting books, financial and accounting reports and other accounting information to the accounting firm it employs without any refusal, withholding and misrepresentation.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, the company engages an accounting firm that complies with the provisions of the Securities Law to carryout audit of accounting statements, verification of net assets and other related advisory services for a period of one year, which is renewable.

Distribution of profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Dissolution and liquidation

According to the Company Law, a company shall be dissolved by any reasons of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved in accordance with the laws; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders.

In the event of (i) or (ii) above and has not distributed assets to its 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 shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution. The liquidation team shall be composed of directors, unless it is otherwise stipulated by the company's articles of association or appointed by resolution of the shareholders' meeting. If a liquidation group is not established within the stipulated period, the company's creditors may file an application with a people's court to appoint relevant personnel to form a liquidation committee to administer the liquidation.

The liquidation group shall exercise the following powers during the liquidation period:

(1) to sort out the company's assets and to prepare a statement of financial position and an inventory of assets, respectively;

(2) to notify creditors through notice or public announcement;

(3) to deal with the company's outstanding businesses related to liquidation;

(4) to pay any tax overdue as well as tax amounts arising from the process of liquidation;

(5) to settle claims and liabilities;

(6) to handle the company's remaining assets after its debts have been paid off; and

(7) to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and make a public announcement through a newspaper or the National Enterprise Credit Information Publicity System. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the required statement of financial position and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation. The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. The company shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's properties and the preparation of the required statement of financial position and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to cover its liabilities, it must apply to the people's court for a declaration for bankruptcy. Following such declaration, the liquidation group shall hand over liquidation affairs to the administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group shall fulfill liquidation responsibilities with a duty of loyalty and diligence.

Any member of the liquidation group who neglects their liquidation responsibilities and causes losses to the company shall be liable for compensation; if losses are caused to any creditor due to intent or gross negligence, such member shall be liable for compensation.

If a company does not incur any debt during its existence, or has paid off all its debts, it may, upon the commitment of all shareholders, cancel the company registration through simplified procedures in accordance with regulations.

Amendments to articles of association

Pursuant to 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.

According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the articles of association approved by the resolution of the meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations hall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number 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 the 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 the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers 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.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The PRC Securities Law took effect on July 1, 1999 and was revised or amended on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities supervisory and regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

According to the Overseas Listing Trial Measures, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic companies shall comply with national regulations on cross-border investment and financing, foreign exchange management, and cross-border RMB management.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "Arbitration Law") was passed by the SCNPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution of the SCNPC passed 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 all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000, and Supplementary Arrangements of Supreme People's Court on Reciprocal Enforcement of Arbitration 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》), which promulgated on November 26, 2020. In accordance with these arrangements, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

Judicial judgment and its enforcement

Pursuant to the 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》) which is promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, except for judgments in civil and commercial cases that are not applicable under Article 3 of this Arrangements, judgments that can be recognized and enforced in both places are those made by mainland and Hong Kong SAR courts on or after January 29, 2024. The mutually recognized and enforced judgments include monetary judgments and non-monetary judgments.

This appendix contains the summary of the principal provisions of the Articles of Association adopted by the Company on May 19, 2025 and will take effect on the date of the H-Shares being listing on the Stock Exchange. The main purpose of this appendix is to provide an overview of the Company's Articles of Association for potential listing, so it may not contain all the information that is important to potential listing.

SHARES AND REGISTERED CAPITAL

1 Insurance of Shares

The shares of the Company shall take the form of stocks.

The Company may take the form of overseas depositary receipt or other derivative form of share certificate to issue overseas listed foreign shares in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed. Where the share capital of the Company includes shares that do not carry voting rights, the words "non-voting" must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting right" or "limited voting right".

Shares of the same class issued at the same time shall have the same issuance conditions and price per share; all subscribers shall pay the same price per share for shares they subscribed for.

The shares issued by the Company are all stocks with par value, and the par value of each share is RMB0.1.

The shares issued by the Company and listed on the Stock Exchange be referred to as "H shares", the par value of which are denominated in Renminbi, and which are subscribed for and traded in Renminbi and Hong Kong dollars. H shares issued by the Company are mainly deposited with the custodian company under the Hong Kong Securities Clearing Company Limited.

The shares issued by the Company but not listed or traded in any overseas stock exchange shall be referred to as "Unlisted Shares" (including unlisted shares held by shareholders of the Company prior to overseas listed and unlisted shares issued in the PRC after overseas listed). Unlisted Shares issued by the Company shall be collectively deposited with China Securities Depository and Clearing Co., Ltd.

With the approval from the Stock Exchange and filing with the China Securities Regulatory Commission, the shareholders of Unlisted Shares of the Company may apply to convert the Unlisted Shares into H shares and have such shares listed on the Stock Exchange.

2 Increase, Decrease and Repurchase of Shares

The Company, based on its operational and development needs, may adopt the following methods to increase registered capital upon the resolution of the meeting of shareholders in accordance with laws, regulations, and the securities regulatory rules of the place where the company's shares are listed:

(I) offering of shares to unspecified investors;

(II) placement of shares to specific investors;

(III) distributing bonus shares to its existing shareholders;

(IV) convert capital reserves into share capital; and

(V) other methods permitted by laws, administrative regulations, securities regulatory rules of the place where the company's shares are listed, and approved by the China Securities Regulatory Commission.

The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, the Listing Rules, the Articles of Association of the Company and other relevant regulations.

The Company shall not repurchase its shares, except under any of the following circumstances:

(I) Reducing the Company's registered capital;

(II) Merge with another company which holds the shares of the Company;

(III) For the purpose of setting up Employee Stock Ownership Plan or equity incentive scheme;

(IV) Acquiring shares held by Shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;

(V) Conversion of shares into the convertible bonds to be issued by the Company;

(VI) Being necessary for the Company to maintain its corporate value and the equity of shareholders;

(VII) Other circumstance permitted by laws, administrative regulations and the listing rules of the stock exchange of the place where the Company's shares are listed.

If the relevant laws, administrative regulations, departmental rules, other regulatory documents and the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed otherwise have provisions in respect of matters related to the aforesaid share repurchase, such provisions shall prevail.

3 Transfer of Shares

Shares of the Company shall be transferred in accordance with the laws and regulations.

Shares issued by the Company prior to its public offering shall not be transferred within 1 year as of the date on which the shares are listed and traded in the stock exchange.

The directors and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company and the changes thereto. During the term of office determined upon taking office, the shares of the same class they transfer each year shall not exceed 25% of the total number of shares of the company they hold. The shares that they hold in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

SHAREHOLDERS MEETINGS

4 Shares Certificate and Register of Shareholders

The Company shall maintain a register of shareholders based on the vouchers provided by securities depository and clearing institutions. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares.

Register of members for shareholders of Unlisted Shares are subject to the records under the security record system of China Securities Depository and Clearing Corporation Limited. Register of members for shareholders of H shares are subject to the information provided by the custodian company under Hong Kong Securities Clearing Company Limited.

5 Shareholders

The shareholders of the Company shall have the following rights:

(I) to receive dividends and other profit distribution in proportion to the number of shares held by them;

(II) to propose, convene, preside over, attend in person or appoint a proxy to attend and vote on his/her behalf at shareholders' meeting in accordance with laws, except where a shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on specific matters;

(III) to supervise and to put forward proposals and make enquires relating to the operation of the Company;

(IV) to transfer, donate or pledge their shares in accordance with relevant laws, administrative regulations and the Articles of Association;

(V) to inspect and to copy the Articles of Association, register of shareholders (including register of shareholders of H Shares), minutes of the shareholders' meeting, resolutions of Board meetings and financial reports, to inspect the Company's accounting books and vouchers for shareholders meeting statutory requirements;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company according to the number of shares held by them;

(VII) for shareholders who dissent to a resolution for the merger or demerger of the Company, to demand the Company to acquire their shares;

(VIII) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

The shareholders of ordinary shares of the Company shall have the following obligations:

(I) to abide by laws, administrative regulations and the Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to make divestment unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse the rights of shareholders to prejudice the interests of the Company or other shareholders; not to abuse the Company's independent status as legal person and the limited liability of shareholders to prejudice the interests of the Company's creditors;

(V) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders shall be liable for compensation pursuant to applicable laws for losses caused to the Company or other shareholders due to their abuse of shareholder's rights. Shareholders shall be jointly accountable for the Company's liabilities where they abuse the Company's independent status as legal person and limited liability as a shareholder to evade debts, or seriously prejudice the interests of the Company's creditors.

6 General Provisions of Shareholder's Meetings

The shareholders' meeting is the governing authority of the Company, and shall exercise the following functions and powers in accordance with the law:

(I) to elect and change the directors and determine the remuneration of the directors;

(II) to examine and approve report submitted by the Board;

(III) to examine and approve the profit distribution plan and the plan for making up accrued losses of the Company;

(IV) to resolve on the increase or reduction in the registered capital of the Company;

(V) to resolve on the issue of bonds by the Company;

(VI) to resolve on such matters as the merger, division, dissolution, liquidation and change of company form;

(VII) to amend the Articles of Association;

(VIII) to resolve on the Company's appointment, dismissals of accounting firms engaged for the company's audit services;

(IX) to examine and approve guarantees under Article 45 of Articles of Association;

(X) to examine and approve connected transactions under Article 46 of Articles of Association;

(XI) to examine any acquisition or disposal of any material asset whose asset value exceeds 30% of the latest audited total assets of the Company for one year;

(XII) to examine and approve any change in the use of proceeds from funds raised;

(XIII) to examine share incentive schemes and employee stock ownership plan;

(XIV) any other matters required by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association to be resolved at the shareholders' meeting.

The shareholders' meeting can authorize the Board to resolve on issuance of corporate bonds.

Shareholders' meetings include annual meetings and extraordinary meetings. Annual meetings shall be held once every year within six months after the end of each financial year.

The Company shall hold an extraordinary meeting within two months upon the occurrence of any of the following events:

(I) when the number of directors is less than the number prescribed by the Company Law or less than two thirds of the number prescribed by the Articles of Association;

(II) when the accumulated losses of the Company amount to one third of the total amount of its share capital;

(III) upon the requisition in writing of shareholders individually or collectively holding 10% or more of shares of the Company (on a one share one vote basis);

(IV) whenever the Board deems necessary;

(V) when the audit committee proposes to convene the meeting;

(VI) when two or more of independent non-executive directors propose to convene the meeting;

(VII) other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

7 Convening of Meetings

The shareholders' meeting shall be convened by the Board. The publication of the notice of the shareholders' meeting (including the supplementary notice) shall follow relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

With the affirmative vote of more than half of all independent non-executive directors, independent non-executive directors are entitled to propose to the Board for convening an extraordinary meeting. In response to such proposal of the independent non-executive directors to convene an extraordinary meeting, the Board shall, within ten days after receiving such proposal, provide a response in writing to indicate whether or not the Board agrees to convene such extraordinary meeting pursuant to the laws, administrative regulations and the Articles of Association. Where the Board agrees to convene such extraordinary meeting, a notice to convene such shareholders' meeting shall be issued within five days after the passing of the relevant resolution by the Board. Where the Board disagrees to convene such extraordinary meeting, the Board shall give reasons for such decision, which shall also be announced. The preceding rule shall be obeyed unless otherwise stipulated in the laws, administrative regulations, departmental rules or listing rules of the stock exchange where the shares of the Company are listed.

The audit committee has the right to propose the Board to convene extraordinary meetings and such proposal shall be made by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary meeting within ten days upon receiving the written proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Shareholders separately or aggregately holding 10% or more of the Company's voting shares have the right to propose the Board to convene an extraordinary meeting by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the extraordinary meeting, notice convening the meeting shall be issued within five days after the Board resolved to do so.

If the Board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the Board does not agree to convene the extraordinary meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding 10% or more of the Company's issued shares have the right to propose the audit committee to convene an extraordinary meeting by way of written request(s).

If the audit committee agrees to convene the extraordinary meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the audit committee does not issue notice of the shareholders' meeting within the required period, it will be considered as not going to convene and preside over the meeting, and shareholders separately or aggregately holding 10% or more of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own. The preceding rule shall be obeyed unless otherwise stipulated in the laws, administrative regulations, departmental rules or listing rules of the stock exchange where the shares of the Company are listed.

8 Proposals and Notices of Shareholder's Meetings

When the Company convenes the shareholders' meeting, the Board, the audit committee or shareholders individually or aggregately holding 1% or more of the total shares of the Company shall have the right to propose motions.

Shareholders separately or aggregately holding 1% or more of the shares of the Company may propose extraordinary motions to the convener in writing ten days before the convening of such shareholders' meeting.

The convener shall issue supplementary notice of the shareholders' meeting to announce the content of the extraordinary motions within two days after receiving the proposed motions and submit such motions for deliberation at the shareholders' meeting, unless the extraordinary motions violate laws, administrative regulations or the Articles of Association, or fall outside the scope of authority of the shareholders' meeting.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the shareholders' meeting. Where an annual meeting is convened by the Company, it shall issue a written notice 21 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. An extraordinary meeting shall be notified to the shareholders at least 15 days prior to the meeting. In relation to the publication of the notice under this Article, the date of publication of notice represents the date that the Company or the share registrar as engaged by the Company delivers the relevant notice at the post office for posting. When calculating the number of days for the issuance of notices, the intended day of the meeting shall be excluded.

9 Holding of Shareholder's Meetings

All the shareholders or their proxies recorded in the register of shareholders on the record date are entitled to attend the shareholders' meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association. Any shareholder entitled to attend and vote at a shareholders' meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his/her proxy to attend and vote instead of him/her.

An individual shareholder who attends the shareholders' meeting in person shall present his/her identification card or other valid identification documents or certificates that can verify his/her identity. Where a proxy is appointed to attend the meeting, the proxy shall produce his/her own valid identification documents and the power of attorney.

A corporate shareholder shall attend the meeting by its legal representative or a proxy appointed by the legal representative. The legal representative who attends the shareholders' meeting shall present his/her identification card and valid certification documents which can prove his/her authority to act as the legal representative. Where a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder.

A shareholder shall appoint his/her proxy by an instrument in writing. Such instrument shall be made under the hand of the appointer or his/her attorney duly authorized in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or under the hand of the directors or a person duly authorized in writing.

The power of attorney issued by shareholders to authorize other persons to attend the shareholders' meeting on their behalf shall clearly state the following:

(I) The name or designation of the principal, class and quantity of the Company shares held;

(II) The name or designation of the proxy;

(III) The specific instructions of the shareholder, including directions to vote for, against or abstain from voting respectively on each proposal of consideration listed on the agenda of the shareholders' meeting;

(IV) The signing date and the period of validity of the proxy form;

(V) signature (or seal) of the appointing shareholder; if the appointing shareholder is a body corporate, the document shall be affixed with the legal person's seal or be signed by its director or an attorney duly authorised;

(VI) Specifying the number of shares held by the principal represented by such proxy;

(VII) If more than one proxy is appointed, the instrument shall specify the number of shares held by the principal represented by each proxy respectively.

The shareholders' meeting shall be chaired by the chairperson of the board. In the event the chairperson of the board is unable to perform his/her duties or fails to perform his/her duties for any reason, the shareholders' meeting shall be chaired by the vice chairperson (and in case of two or more vice chairpersons in the Company, the vice chairperson designated by more than half of directors shall preside over the meeting). Where the position of vice chairman does not exist, or where the vice chairperson is unable to perform his/her duties or fails to perform his/her duties, the shareholders' meeting shall be chaired by a director jointly nominated by no less than half of the directors.

A shareholders' meeting convened by the audit committee shall be chaired by the chairperson of the audit committee. In the event the chairperson of the audit committee is unable to perform his/her duties or he/she fails to perform his/her duties, a member of audit committee jointly designated by more than half of the members of audit committee shall preside over the meeting.

A shareholders' meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any shareholders' meeting, if the chairperson of the meeting has violated any rules of meeting such that the meeting may not proceed further, with the consent of shareholders representing more than half of the voting rights present at such meeting, the meeting may designate a person to chair the meeting so that the meeting may proceed further.

10 Voting and Resolutions at the Meetings

Resolutions of shareholders' meetings include ordinary resolutions and special resolutions. An ordinary resolution shall be passed by shareholder in attendance holding half or more of the voting rights. A special resolution shall be passed by shareholders in attendance holding two-thirds or more of the voting rights.

The following matters shall be approved by an ordinary resolution of a shareholders' meeting:

(I) work reports of the Board;

(II) proposals formulated by the Board for distribution of profits and for making up accrued losses;

(III) election and removal of members of the Board not being representatives of the employees, as well as the determination of their remuneration and the method of its payment;

(IV) balance sheet, income statement and other financial statements of the Company;

(V) annual report of the Company;

(VI) to hire and terminate the accounting firm of the Company and the remuneration of accounting firm hired;

(VII) issuance of bonds or other securities;

(VIII) to consider and approve the guarantees stipulated in Article 45 and the related transactions stipulated in Article 46 of the Articles of Association;

(IX) such matters other than those required to be passed by special resolutions under the laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association.

For the purpose of the Articles of Association, the "shareholder(s)" includes those who attend the shareholders' meeting through proxies.

The following matters shall be approved by special resolution of a shareholders' meeting:

(I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;

(II) the separation, division, merger, dissolution and liquidation or change in the corporate form of the Company;

(III) any amendment of this Articles of Association;

(IV) purchase or disposal of material assets or the provision of guarantee to third parties within one year with the amount exceeding 30% of the total assets of the Company;

(V) share incentive scheme;

(VI) other matters which are stipulated by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association, and which are resolved by way of an ordinary resolution to have a material impact on the Company and therefore shall be adopted by special resolutions.

Except for when company is in crisis, the Company shall not, without prior approval at a shareholders' meeting by a special resolution, enter into any contract with any person other than a director, senior management whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

THE BOARD OF DIRECTORS

11 Directors

Directors include executive directors and non-executive directors. Executive director refers to a director who participates in the daily operations and management of the Company or its controlling subsidiary; Non-executive directors refer to directors who do not participate in the daily operations and management of the Company or its controlling subsidiaries. Non-executive directors include independent non-executive directors.

The Board of directors shall include one employee representative. Such representative shall be democratically elected by the company's employees through the employees' congress, general staff meeting, or other forms of democratic election, which shall not require approval by the shareholders' meeting.

The Company shall not engage personnel who do not meet the qualifications to serve as directors, and shall not authorize personnel who do not meet the qualifications to actually exercise their duties in violation of regulations.

Directors shall be elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting prior to the expiration of their term. Directors serve for a term of three years, whose term is renewable upon re-election, unless otherwise required by the laws, regulations, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed. The senior management member of the Company may hold the post of director concurrently, provided that the number of directors who also hold the post of the senior management member shall not exceed half of the total number of the directors of the Company. If the Board appoints a new director to fill a casual vacancy or as an addition to the Board, the appointed director shall be subject to election by shareholders at the first shareholders' meeting after the appointment and shall be eligible for re-election.

Directors shall observe the laws, administrative regulations, the Articles of Association, and the listing rules of the stock exchange where the Company's shares are listed. Directors shall undertake fiduciary duties and shall take proactive measures to avoid conflicts of interest between themselves and the Company, and shall refrain from using their position to seek improper gains. Directors shall undertake the following fiduciary duties to the Company that they should:

(I) not to expropriate the assets of the Company, and not to misappropriate the funds of the Company;

(II) not to open any account in their own names or in others' names for the purpose of depositing any of the Company's funds;

(III) not to solicit or accept bribes or other illegal gains through abuse of official powers;

(IV) not to conclude any contract or conduct transactions with the Company directly or indirectly without reporting to the Board or shareholders' meeting and obtaining approval of the board of directors or the meeting in accordance with the Articles of Association. The provisions of the previous paragraph shall apply to the close relatives of the directors or senior management, enterprises directly or indirectly controlled by the directors or senior management or their close relatives, and related persons with other associations with the directors or senior management when entering into contracts or transactions with the Company;

(V) not to take advantage of their positions to seek business opportunities for the benefits of themselves or others that should belong to the Company. However, this does not apply in the following cases: (i) the business opportunity is reported to the board of directors or shareholders' meeting and is approved by a resolution, or (ii) the Company is legally prohibited from utilizing the business opportunity according to laws, administrative regulations, or the Articles of Association.

(VI) Directors shall not engage in or operate a business that competes with the Company's business, either personally or on behalf of others, unless the business opportunity has been reported to and approved by the board of directors or shareholders' meeting in accordance with the provisions of the Articles of Association.

(VII) not to keep as their own, the commission for transaction with the Company;

(VIII) not to disclose secret of the Company without authorization;

(IX) not to use their related-party relationships to damage the interests of the Company;

(X) to fulfill other fiduciary duties stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

Any income obtained by directors in violation of any of the provisions of this Article shall belong to the Company.

The director shall be accountable to compensate the Company against any loss incurred. The directors shall, both collectively and individually, fulfill fiduciary duties and duties of skill, care, and diligence to a standard at least commensurate with the standard established by Hong Kong law. Every director must, in the performance of his/her duties as a director:

(I) to act honestly in good faith in the interests of the Company as a whole;

(II) to act for proper purpose;

(III) to be accountable to the Company for the application or misapplication of its assets;

(IV) to avoid actual and potential conflicts of interest and duty;

(V) to disclose fully and fairly his/her interests in contracts with the Company;

(VI) to apply such degree of skill, care and diligence as may reasonably be expected of a person of his/her knowledge and experience and holding his/her office as a director of the Company;

(VII) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with PRC laws, administrative regulations and all the PRC economic policies and are not beyond the business scope specified in the business license of the Company;

(VIII) to treat all shareholders fairly;

(IX) to acquire the knowledge of the business operation and management of the Company on a timely basis;

(X) to sign the written confirmation of regular reports of the Company and ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;

(XI) to honestly inform the audit committee with the relevant circumstances and information, not to prevent the audit committee from exercising their functions and powers;

(XII) to fulfill other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange where the Company's shares are listed.

12 Board of Directors

The company has a board of directors.

The Board shall consist of 9 directors, including 3 independent non-executive directors and accounting for at least one-third of the members of the Board. At least one independent non-executive director shall have appropriate professional qualifications, and one independent non-executive director shall reside in Hong Kong.

The Board shall exercise the following duties and powers:

(I) to convene shareholders' meetings and report its work to the shareholders' meeting;

(II) to implement the resolutions of shareholders' meetings;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plans and plans on making up of losses;

(V) to formulate plans for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing plans;

(VI) to formulate plans for merger, division, dissolution and alteration of corporate form;

(VII) to formulate plans for significant asset acquisition and selling and repurchase of shares of the Company;

(VIII) to decide on, among others, external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the authorization of the shareholders' meeting;

(IX) to determine the establishment of the Company's internal management structure;

(X) to decide the establishment of committees of the Board; appoint or dismiss chairman (convenor) of the committees of the Board;

(XI) to decide on the appointment or dismissal of the general manager and other senior management members of the Company according to the nomination of the chairman and matters concerning their remuneration, punishment and reward, and according to the nomination by the general manager, to decide on the appointment or dismissal of deputy general managers, chief financial officer and other senior management members of the Company and matters concerning their remuneration, punishment and reward;

(XII) to formulate basic management policies of the Company;

(XIII) to formulate proposals for amendment to the Articles of Association;

(XIV) to formulate proposals to adopt share incentive plan of the Company;

(XV) to manage information disclosure of the Company;

(XVI) to submit proposals to the shareholders' meeting on the engagement or replacement of the accounting firm providing audit services to the Company;

(XVII) to receive reports from and inspect the work of the general manager;

(XVIII) to decide material matters and administrative matters other than those matters required to be decided by the shareholders' meeting of the Company in accordance with laws, administrative regulations, departmental rules, the Article of Association and the listing rules of the stock exchange where the Company's shares are listed;

(XIX) other functions and powers provided for in laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed and the Article of Association, and conferred at shareholders' meetings.

The above matters of authority exercised by the Board or any transaction or arrangement of the Company which shall be considered and approved at the shareholders' meeting according to the listing rules of the stock exchange where the Company's shares are listed, shall be submitted to the shareholders' meeting for consideration and approval.

Except for the board resolutions in respect of the matters specified in paragraphs (V), (VI) and (XIII) which shall be passed by more than two-thirds of the directors, the board resolutions in respect of all other matters may be passed by more than one half of the directors.

The Board shall have one chairman and may have vice chairman, who shall be elected by a majority of all directors. The chairman shall perform the following functions:

(I) to preside over the shareholders' meetings and convening and presiding over meetings of the Board;

(II) to oversee and inspect the execution of the resolutions of the Board;

(III) other functions and powers provided for in laws, administrative regulations, departmental rules, the Article of Association and the listing rules of the stock exchange where the Company's shares are listed, and conferred by the Board.

The Board meetings include regular meetings and extraordinary meetings.

The Board shall hold at least four meetings per annum, which shall be convened by the chairman, and all the directors shall be notified in writing at least 14 days before the regular meeting and 10 days before the extraordinary meeting.

Unless or otherwise provided in other articles herein, a Board meeting can be held only if more than half of the directors are present. Resolutions of the Board must be passed by more than half of all directors. In respect of resolutions of the Board, each director shall have one vote.

13 Special Committees of the Board of Directors

The Board of the Company shall establish the audit committee, the nomination committee and the remuneration and appraisal committee and shall, as needed, establish relevant special committees such as the strategy committee. Each special committee shall be accountable to the Board and perform the duties prescribed by the Articles of Association and the Board. Any proposals of the special committee shall be submitted to the Board for consideration and approval. All member of the special committees shall be directors, among which, the majority of the members of the audit committee, the nomination committee and the remuneration and appraisal committee shall be independent directors who also convene the meeting of such committees. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating working rules, to standardize the operation of the special committees.

The audit committee shall exercise the powers and functions of the board of supervisors provided in the PRC Company Law. The audit committee shall be responsible for reviewing the Company's financial information and disclosures, overseeing and evaluating internal and external audits, and monitoring internal controls. The following matters shall be submitted to the Board of Directors for deliberation only after obtaining approval by more than half of the audit committee members:

(I) to disclose financial accounting reports, financial information in periodic reports and internal control evaluation reports;

(II) to appoint or dismiss an accounting firm that undertakes the audit business of the Company;

(III) to appoint or dismiss the Company's chief financial officer;

(IV) to change accounting policies or estimates, or to correct material accounting errors, except when resulting from changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

The nomination committee shall be responsible for formulating selection criteria and procedures for Directors and senior management, conducting reviews and assessments of candidates for Director and senior management positions, and submitting the following matters to the Board of Directors for deliberation:

(I) to nominate or dismiss Directors;

(II) to appoint or dismiss the senior management personnel;

(III) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

The remuneration and appraisal committee shall be responsible for formulating appraisal standards and conducting appraisals for Directors and senior management, developing and reviewing remuneration policies and schemes for Directors and senior management, including remuneration determination mechanisms, decision-making processes, payment, withholding, and clawback arrangements, and submitting the following matters to the Board of Directors for deliberation:

(I) remuneration of Directors and senior management;

(II) to formulate or to modify equity incentive plans or employee stock ownership plans, including the granting of entitlements to incentive recipients and the fulfillment of conditions for exercising entitlements;

(III) to arrange shareholding plans for Directors and senior management in proposed spin-off subsidiaries;

(IV) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

SENIOR MANAGEMENT

14 General Manager and Other Senior Management Officers

The Company has one general manager and may appoint deputy general manager to assist the general manager; and one chief financial officer. The general manager, deputy general managers and chief financial officer shall be appointed or dismissed by the Board. The general manager, the deputy general managers and the chief financial officer, as well as other persons expressly appointed by the Board as other senior management personnel of the Company are senior management officers of the Company.

The term of office of the general manager shall be three years, renewable upon reappointment. The general manager may resign before his or her term of office expires. The procedure and rules for such resignation shall be specified in the labor contract between the general manager and the Company. If the general manager is unable to fulfil his or her duty for any special reason, the Board shall designate one deputy general manager to act on his or her behalf. Directors may concurrently serve as general manager or other senior management officers.

The general manager shall be responsible for the Board and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board, and to report his or her works to the Board;

(II) to organize the implementation of the Company's annual business plans and investment plans;

(III) to draft plans for the establishment of the Company's internal management organization;

(IV) to draft the Company's basic management system;

(V) to formulate the Company's specific regulations;

(VI) to propose the appointment or dismissal of the Company's chief financial officer or other senior management officers;

(VII) to decide the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(VIII) such other functions and powers conferred by the Articles of Association and the Board.

FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION AND AUDITING

15 Financial Accounting System

The company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the financial regulatory department of the State Council.

16 Profit Distribution

Where the Company distributes its after-tax profits of the current year, it shall allocate 10% of the profits after tax as the Company's statutory common reserve, provided that no allocation is required if the accumulated statutory common reserve represents no less than 50% of the registered capital of the Company. Where the statutory common reserve fund of the Company is not sufficient to cover the Company's loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory common reserve fund pursuant to the previous paragraph. After allocation to the statutory common reserve fund has been made from the after-tax profits of the Company, the discretionary surplus reserve of any amount fund may be allocated from the after-tax profits upon approval by shareholders' meeting. Any profit after taxation and after making up losses and making appropriation to the statutory surplus reserve shall be distributed by the Company to shareholders in proportion to their shareholdings, unless these Articles of Association provide that distributions are to be made otherwise than proportionally. Where the shareholders' meeting distributes profits to shareholders in violation of the Company law, the shareholders shall return to the Company the profit distributed. Where such distribution causes losses to the Company, the shareholders, the responsible directors and senior management shall be liable for compensation. The Company shall not participate in profit distribution in respect of shares held under its name.

The Company's common reserves shall be used for making up accrued losses, expanding the business operations or increasing the registered capital of the Company. When covering the Company's losses with the Company's common reserves, the discretionary surplus reserve and statutory common reserve shall be used first. If the losses still cannot be fully covered, the capital reserve may be utilized in accordance with applicable regulations. When the statutory common reserve is converted into capital, the balance of such reserve shall not be less than 25% of the registered capital prior to the conversion.

APPOINTMENT OF AN ACCOUNTING FIRM

17 Appointment of Accounting Firm

The Company shall appoint an independent accounting firm which satisfies the Securities Law and the relevant PRC state regulation, audit the annual financial report of the Company, and verify other financial reports of the Company. The term of appointment is one year and is renewable. The appointment and dismissal of an accounting firm shall be made only by a shareholders' meeting, and no accounting firm should be appointed by the Board prior to the decision of shareholders' meeting.

18 Merger, Division, Capital Increase and Capital Reduction

In the case of merger, the Company may take the form of merger by absorption or merger by new establishment. In the case of mergers by absorption, a company absorbs other companies and the absorbed company is dissolved. In the case of mergers by new establishment, two or more companies combine together for the establishment of a new one, and the pre-merger companies are dissolved.

To split the Company, the properties thereof shall be divided accordingly. To split the Company, each party to the split-up shall conclude an agreement with each other and balance sheets and checklists of properties shall be worked out. The Company shall, within 10 days after the decision of split-up is made, inform the creditors and make a public announcement on newspapers recognized by the stock exchange where the Company's shares are listed or the state enterprise credit information publicity system within 30 days, in accordance with the Company Law.

Where the Company reduce its registered capital, it shall work out balance sheets and checklists of properties. The Company shall, within ten days after the resolution of the shareholders' meeting to reduce the registered capital, notify the creditors and make a public announcement on newspapers recognized by the stock exchange where the Company's shares are listed or the state enterprise credit information publicity system within 30 days. The creditors shall, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive the notice, be entitled to demand the Company to pay off the debts or to provide respective guaranties. When reducing registered capital, the Company shall proportionally reduce shareholders' capital contributions or shares according to their respective shareholding percentages, unless otherwise provided by law or these Articles of Association. Where, in the process of merger or split-up of the Company, any of the registered items is changed, the Company shall go through the registration for change with the company registration authority.

Where the Company is dissolved, it shall be deregistered according to law. If a new company is established, it shall go through the procedures for company establishment abiding by law. In the case of increasing or reducing its registered capital, the Company shall go through registration of change with the company registration authority abiding by law.

19 Dissolution and Liquidation

The Company may be dissolved under one of the following circumstances:

(I) the term of business operation as prescribed by the Articles expires or any of the situations for dissolution prescribed in the Articles occurs;

(II) the shareholders' meeting has adopted a special resolution for dissolution;

(III) it is necessary to be dissolved due to merger or split-up of the Company;

(IV) the business license of the Company is revoked, or the Company is ordered to close down or is closed down in accordance with laws; or

(V) the Company meets any serious difficulty in its operations or management so that the interests of the shareholders will face material loss if the Company continues to exist and the difficulty cannot be solved by any other means, the shareholders who hold ten percent or more of the voting rights may plead the people's court to dissolve the Company.

The liquidation committee shall notify the creditors within ten days of and make announcements on newspapers recognized by the stock exchange where the Company's shares are listed or the state enterprise credit information publicity system within 60 days of the date of its establishment. A creditor shall, within 30 days of receipt of the notice, or in the case of failure to receive the notice, within 45 days of the date of the announcement, claim its rights to the liquidation committee. In claiming its rights, the creditor shall explain the relevant issues on the creditor's rights and provide evidential materials in respect thereof. The liquidation committee shall register the creditors' rights. While claiming of creditors' rights, the liquidation committee shall not make any repayment to creditors.

After paying off the liquidation expenses, wages of employees, social insurance premiums and legal indemnities, the outstanding taxes and the debts of the Company, the remaining assets may be distributed according to the proportion of shares held by the shareholders.

20 Amendments to the Articles of Association

The Company may amend the Articles in accordance with the requirements of law, administrative regulations, the Articles of Association and listing rules of the stock exchange where the Company's shares are listed. Amendments to the matters of the Articles of Association adopted by a resolution of the shareholders' meeting which are subject to approval from relevant competent authority shall be submitted to the competent approval authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law. The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting and the comments of the relevant competent authority.

NOTICE AND ANNOUNCEMENT

21 Notice

The notice of the Company shall be issued in the following form:

(I) Personal delivery;

(II) Mail;

(III) Facsimile or e-mail;

(IV) Subject to laws, regulations and listing rules of the stock exchange where the Company's shares are listed, by publishing them on the website of the Company and the website designated by the stock exchange;

(V) Announcement;

(VI) Other forms agreed in advance by the Company or the recipients, or approved by the recipients upon the receipt of the notice; or

(VII) Other forms approved by relevant regulatory authority where the Company's shares are listed or stipulated by the Articles of Association.

Notwithstanding the provisions of the Articles, subject to the relevant provisions of the stock exchange where the Company's shares are listed, the Company has the right to publish the corporate communication in the form of notice provided for in paragraph 1 (4) of this Article in lieu of sending paper documents to each H-share shareholder either by personal delivery or mail. Such corporate communications shall mean any document issued or to be issued by the Company for the reference or action of shareholders, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), board reports (together with balance sheets and profit and loss statements), shareholders' meeting notices, circulars, and other communications documents.

22 Announcement

The Company has designated the official website of the Stock Exchange of Hong Kong Limited as the media for publication of the Company's announcements and other required disclosure of information.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation of our Company

Our Company was established as a limited liability company under the laws of the PRC on October 18, 2018 and was converted into a joint stock company with limited liability on April 25, 2025. Our head office and principal place of business in the PRC is at Room 1706, Qiancheng Commercial Center, No. 5 Haicheng Road, Mabu Community, Xixiang Street, Bao'an District, Shenzhen, the PRC.

We have established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 30, 2025. Mr. Chung Ming Fai (鍾明輝), our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in "Regulatory Overview" in and Appendix IV to this prospectus. A summary of our Articles of Association is set out in Appendix V to this prospectus.

B. Changes in the Share Capital of our Company

The following changes in the share capital of our Group took place during the two years immediately preceding the date of this prospectus:

(a) On April 8, 2025, resolutions were passed by our then Shareholders, being our promoters at our shareholders' meeting approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company under the laws of the PRC.

(b) On June 3, 2025, 37,500 new Shares were issued to Brizan Ventures V, upon completion of which, the registered capital of our Company had been increased from RMB2,492,175 divided into 2,492,175 Shares with a nominal value of RMB1.00 each, to RMB2,529,675 divided into 2,529,675 Shares with a nominal value of RMB1.00 each.

(c) On May 27, 2025, resolutions were passed by our Shareholders approving, among others, (1) the issuance of 17,470,325 new Shares through conversion from capital reserve of RMB17,470,325 to each of our Shareholders in proportion to their respective shareholding interests, to the effect that the registered capital of our Company had been increased from RMB2,529,675 divided into 2,529,675 Shares with a nominal value of RMB1.00 each, to RMB20,000,000 divided into 20,000,000 Shares with a nominal value of RMB1.00 each; and (2) the Share Subdivision, whereby each of our Shares with a nominal value of RMB1.00 each shall be sub-divided into 10 Shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the Listing, upon which the registered capital of our Company shall be RMB20,000,000 divided into 200,000,000 Shares with a nominal value of RMB0.10 per Share, which will be held by all our then Shareholders in proportion to their respective shareholding interests in our Company.

(d) Immediately following the completion of the Share Subdivision, the Global Offering and the H-Share Full Circulation, assuming that the Over-allotment Option is not exercised, our registered share capital will be increased to RMB22,222,230 divided into 222,222,300 H Shares.

(e) Immediately following the completion of the Share Subdivision, the Global Offering and the H-share Full Circulation, assuming that the Over-allotment Option is fully exercised, our registered share capital will be increased to RMB22,555,600 divided into 225,555,600 H Shares.

For further details, see "History and Corporate Structure" in this prospectus. Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this prospectus.

C. Resolutions Passed by Our Shareholders' Meeting in relation to the Global Offering

At the shareholders' meeting held on May 27, 2025 the following resolutions, among others, were duly passed:

(a) adoption and implementation of the Share Subdivision immediately prior to the Listing and the issuance by our Company of the H Shares of nominal value of RMB0.10 each and such H Shares being listed on the Stock Exchange;

(b) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the International Underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares to be issued pursuant to the Global Offering;

(c) the application to the CSRC for the H-share Full Circulation, whereby such Unlisted Shares may be converted into H Shares and listed for trading on the Main Board of the Stock Exchange concurrently with the H Share to be issued under the Global Offering;

(d) 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 Listing; and

(e) authorization of the Board to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

D. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see "Appendix V — Summary of Articles of Association of the Company" in this prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) the shareholders' agreement dated May 26, 2025 entered into between the Company, the Controlling Shareholder Group, 東莞松山湖國際機器人研究院有限公司, 盈湖智能科技有限公司, 東莞蘊和股權投資有限公司, Brizan Ventures V LP, 天津雲泰創新技術合夥企業(有限合夥), VENTECH CHINA ASIA SICAR, 南京清科樂鈦創業投資合夥企業(有限合夥), 蘇州源明創業投資中心(有限合夥), 上海高瓴辰鈞股權投資合夥企業(有限合夥), 深圳市達晨創鴻私募股權投資企業(有限合夥), 深圳市達晨財智創業投資管理有限公司, 深圳市朗科投資有限公司, 深圳市朗科萬山企業管理合夥企業(有限合夥), 國調創新私募股權投資基金(南昌)合夥企業(有限合夥), 珠海安勝投資中心(有限合夥), 深圳市財智創贏私募股權投資企業(有限合夥), pursuant to which shareholders' rights were agreed among the parties;

(b) the investment agreement dated May 26, 2025 entered into between the Company, 臥安科技(深圳)有限公司, 臥安(深圳)軟件技術有限公司, Woan Techonolgoy Limited, SwitchBot PTE. Ltd., Wonderlabs Limited, Wonderlabs, Inc., SwitchBot 株式會社，SWITCHBOT, Inc. and Brizan Ventures V LP, Mr. Li, Mr. Pan and Wonder Innovation ESOP, pursuant to which Brizan Ventures V LP agreed to (i) purchase and Mr. Li agreed to sell 6,250 shares of the Company at a consideration of RMB10,000,000; (ii) purchase and Mr. Pan agreed to sell 6,250 shares of the Company at a consideration of RMB10,000,000; and (iii) subscribe for additional registered capital of RMB37,500 of the Company at a consideration of RMB60,000,000, with the remaining included in the capital reserve of the Company;

(c) the termination agreement dated May 26, 2025 entered into between the Company, the Controlling Shareholder Group, Brizan Ventures V LP, 東莞松山湖國際機器人研究院有限公司, 盈湖智能科技有限公司, 東莞蘊和股權投資有限公司, 天津雲泰創新技術合夥企業(有限合夥), VENTECH CHINA ASIA SICAR, 南京清科樂鈦創業投資合夥企業(有限合夥), 蘇州源明創業投資中心(有限合夥), 上海高瓴辰鈞股權投資合夥企業(有限合夥), 深圳市達晨創鴻私募股權投資企業(有限合夥), 深圳市達晨財智創業投資管理有限公司, 深圳市朗科投資有限公司, 深圳市朗科萬山企業管理合夥企業(有限合夥), 國調創新私募股權投資基金(南昌)合夥企業(有限合夥), 珠海安勝投資中心(有限合夥)and 深圳市財智創贏私募股權投資企業(有限合夥) in respect of termination or suspension of special rights;

(d) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, HACF, L.P., Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$30,000,000;

(e) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Cithara Global Multi-Strategy SPC — Bosideng Industry Investment Fund SP, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$20,000,000;

(f) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Infini Global Master Fund, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$15,000,000;

(g) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, China Orient International Asset Management Limited — China Orient Enhanced Income Fund, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$7,000,000;

(h) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, China Orient International Asset Management Limited — China Orient Multi-Strategy Master Fund, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$3,000,000;

(i) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Wind Sabre Fund SPC acting on behalf and for the account of Wind Sabre Opportunities Fund SP, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$5,000,000;

(j) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Yield Royal Investment Holding (Singapore) Pte. Ltd., Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$4,980,000;

(k) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Sage Partners Master Fund, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$3,000,000;

(l) a cornerstone investment agreement dated December 16, 2025 entered into among our Company, Sage Sunshine 1 Limited, Guotai Junan Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent to US$2,000,000; and

(m) the Hong Kong Underwriting Agreement.

B. Our Intellectual Property Rights

As of the Latest Practicable Date, our Company has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we considered to be material to our business:

No.	Trademark	Owner	Place of registration	Class	Registration no.	Expiry date
1.	SwitchBot	Woan Technology	The PRC	9	67105715	April 27, 2033
2.	SwitchBot	Woan Technology	The PRC	9	79530275	January 27, 2035
3.	SwitchBot	Woan Technology	The PRC	7	75755486	July 13, 2034
4.	SwitchBot	Woan Technology	The PRC	11	65184145	November 27, 2032
5.	SwitchBot	Woan Technology	Hong Kong	9	306173721	February 20, 2033
6.	SwitchBot	Woan Technology	Hong Kong	7	305860765	January 16, 2032
7.	SwitchBot	Woan Technology	The United States	9	7376350	May 7, 2034
8.	SwitchBot	Woan Technology	Japan	9	1658350	March 21, 2032
9.	SwitchBot	Woan Technology	Japan	7	6577817	June 24, 2032
10.	SwitchBot	Woan Technology	The United States	7	6943437	January 3, 2033
11.	SwitchBot	Woan Technology	The European Union	9	1658350	March 21, 2032
12.	SwitchBot	Woan Technology	The European Union	7	018689523	April 20, 2032
13.	SwitchBot	Woan Technology	The Republic of Korea	9	40-2345690	April 15, 2035
14.	SwitchBot	Woan Technology	The Republic of Korea	7	40-2013016	April 26, 2033
15.	SwitchBot	Woan Technology	The United Kingdom	9	WO0000001658350	March 21, 2032
16.	SwitchBot	Woan Technology	The United Kingdom	7	UK00003779112	April 20, 2032

Patent

As of the Latest Practicable Date, we have registered the following patents which we considered to be material to our business:

No.	Patent description	Owner	Place of registration	Registration no.	Patent type	Grant date
1.	Smart Switch Control Device and Smart Switch Control Method (開關智能控制裝置以及開關智能控制方法)	Woan Technology	The PRC	2018800783084	Invention	August 26, 2022
2.	Low Power Bluetooth Communication Method, Electronic Device, Network, and Storage Medium (低功耗藍牙通信方法、電子設備、網絡和存儲介質)	Woan Technology	The PRC	2018800919154	Invention	June 27, 2023
3.	Mapping Method for Embodied Robots, Embodied Robot System and Control Device (具身機器人建圖方法、具身機器人系統及控制設備)	Woan Technology	The PRC	2025105810130	Invention	July 8, 2025
4.	Cleaning Path Planning Method, Cleaning Robot, and Medium (清潔路徑規劃方法、清潔機器人及介質)	Woan Technology	The PRC	202411036125X	Invention	November 15, 2024
5.	Smart Home Device and Training Method and Application Method for Its Control Model (智能家居設備及其控制模型的訓練方法和應用方法)	Woan Technology	The PRC	2024114182795	Invention	January 28, 2025
6.	Cleaning Robot and Its Task Self-Learning Method and Control Method (清潔機器人及其任務自學習方法和控制方法)	Woan Technology	The PRC	2024114182808	Invention	February 28, 2025
7	Positioning Method, Apparatus, Embodied Robot and Storage Medium for Embodied Robots *(具身機器人的定位方法、裝置、具身機器人和存儲介質)*	Woan Technology	The PRC	2025102945403	Invention	May 13, 2025
8	Map Construction Method for Control System of Embodied Robots, Embodied Robot, and Medium (具身機器人控制系統的地圖構建方法、具身機器人及介質)	Woan Technology	The PRC	2025102993750	Invention	July 22, 2025

No.	Patent description	Owner	Place of registration	Registration no.	Patent type	Grant date
9	Embodied Robot and Its Obstacle Avoidance Control Method, Apparatus and Program Product *(具身機器人及其避障控制方法、裝置及程序產品)*	Woan Technology	The PRC	2025103096610	Invention	May 30, 2025
10	Collaborative working methods, systems, and embodied robots *(具身機器人的協同工作方法、系統和具身機器人)*	Woan Technology	The PRC	2025109212530	Invention	September 9, 2025

Domain name

As of the Latest Practicable Date, we have registered the following domain name which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1.	switch-bot.com	Woan Technology	September 18, 2026
2.	switchbot.jp	SwitchBot JP	April 30, 2027
3.	onero.cn	Our Company	October 29, 2026

Software copyright

As of the Latest Practicable Date, we have registered the following software copyrights which we considered to be material to our business:

No.	Name of copyright	Owner	Place of registration	Registration no.	Grant date
1.	SwitchBot Device Control Software (iOS Version) (SwitchBot設備控制軟件(IOS版))	Woan Technology	The PRC	2021SR0855944	June 8, 2021
2.	SwitchBot Device Control Software (Android Version) (SwitchBot設備控制軟件(Android版))	Woan Technology	The PRC	2021SR0856050	June 8, 2021

C. Employee Share Ownership Platform

Wonder Innovation ESOP operates as a share option scheme. Pursuant to the rules governing Wonder Innovation ESOP, eligible participants of the share option scheme include: (1) employees who have entered into employment contracts with the Company or its subsidiaries during the validity period of the scheme; (2) consultants who have entered into consultancy service agreements with the Company or its subsidiaries during the validity period of the scheme; (3) individuals identified by the Company as having an important role or significant impact on the operations, management, product development, business performance, or future development of the Company or its subsidiaries during the validity period of the scheme. By exercising the options, the relevant participants are entitled to become a limited partner of Wonder Innovation ESOP and indirectly become interested in the shareholding interests of the Company through Wonder Innovation ESOP.

As of the Latest Practicable Date, 208,333,000 options had been granted by Wonder Innovation ESOP to the eligible participants, with 1,000 options convertible into RMB1 registered capital of Wonder Innovation ESOP ("**Relevant Options**"). Assuming that all options granted are to be exercised, the registered capital of Wonder Innovation ESOP shall be increased to RMB208,333.

As of the Latest Practicable Date, the registered capital of Wonder Innovation ESOP, our employee share ownership platform, RMB131,260 the partnership structure of which is as follows:

Name	Position	Capacity	Registered capital	Approximate percentage of partnership interests (as of the Latest Practicable Date) *(Note 1)*	Partnership interests entitlement (assuming the Relevant Options are fully exercised)	Approximate percentage of partnership interest (assuming the Relevant Options are fully exercised) *(Note 2)*
Mr. Li	Chairman of the Board and chief executive officer	General partner	21,900	16.68%	1	0.00%
Mr. LIN Haizhou (林海洲)	Chief operating officer	Limited partner	23,809	18.14%	34,487	16.55%
Mr. LIU Guohui (劉國輝)	Vice president in production engineering	Limited partner	55,392	42.20%	63,491	30.48%
Mr. MOU Qingqi (牟慶琦)	Chief marketing officer	Limited partner	4,762	3.63%	10,551	5.06%
Other eligible participants	Existing employees	Limited partner	25,397 *(Note 3)*	19.35%	99,803 *(Note 4)*	47.90%
Total:			131,260	100%	208,333	100%

Note:

1. Calculated by dividing the registered capital subscribed by the relevant limited partner over the total registered capital of Wonder Innovation ESOP as of the Latest Practicable Date, being RMB131,260.

2. Calculated by dividing the registered capital that may be subscribed by the relevant limited partner (assuming the Relevant Options are fully exercised) over the total registered capital of Wonder Innovation ESOP, assuming all the Relevant Options are fully exercised, being RMB208,333.

3. Comprising four limited partners as of the Latest Practicable Date.

4. As of the Latest Practicable Date, options have been granted to 139 eligible participants.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

A. Particulars of Directors' Contracts

(a) Executive Directors

Each of our executive Directors has entered into a service contract with us pursuant to which they agreed to act as executive Directors for a term of three years commencing from April 8, 2025 and with effect from the Listing Date (subject always to re-election as and when required under the Articles of Association). Either party has the right to give not less than three months' written notice to terminate the agreement.

(b) Non-executive Directors and independent non-executive Directors

Each of our non-executive Directors has entered into an appointment letter with our Company on December 15, 2025. The initial term for their appointment letters shall be for a term of three years commencing from the date of the service contract with effect from the Listing Date (subject always to re-election as and when required under the Articles of Association). Either party has the right to give not less than one months' written notice to terminate the agreement.

Each of our independent non-executive Directors has entered into an appointment letter with our Company on December 15, 2025. The initial term for their appointment letters shall be for a term of three years commencing from the date of the appointment letter with effect from the Listing Date (subject always to re-election as and when required under the Articles of Association). Either party has the right to give not less than one months' written notice to terminate the agreement.

Save as disclosed above, none of the Directors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

B. Remuneration of Directors

The aggregate amounts of remuneration (including (i) salaries, bonuses, allowances and benefits in kind; (ii) performance-related bonus; (iii) pension scheme contributions; and (iv) share-based payment expenses) paid to our Directors for the year ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2024, and 2025 were RMB5.2 million, RMB6.2 million, RMB6.4 million, RMB3.2 million and RMB5.4 million, respectively. None of our Directors had waived any remuneration during the same period. Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2024 by any member of our Group to any of our Directors.

During the Track Record Period, no remuneration was paid to our Directors as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus and share-based payment, of our Directors for the year ending December 31, 2025 to be approximately RMB4 million.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors and Chief Executive of our Company

Save as disclosed below, immediately following the completion of the Global Offering and the H-Share Full Circulation (assuming that the Over-allotment Option is not exercised), none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are listed on the Stock Exchange.

Name of Director	Our Company/ associated company	Capacity/Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the H-Share Full Circulation (assuming the Over-allotment Option is not exercised)	
			Number of Unlisted Shares *(Note 1)*	Approximate percentage of shareholding in the total issued share capital of our Company %	Number of H Shares *(Note 1)*	Approximate percentage of shareholding in the total issued share capital of our Company %
Mr. Li	Our Company	Beneficial owner	4,364,845	21.82%	43,648,450	19.64%
		Interest in controlled corporation *(Note 2)*	1,647,113	8.24%	16,471,130	13.02%
		Interest of person acting in concert *(Note 3)*	2,893,423	14.47%	28,934,230	7.41%
Mr. Pan	Our Company	Beneficial owner	2,893,423	14.47%	28,934,230	13.02%
		Interest of person acting in concert *(Note 3)*	4,364,845	21.82%	43,648,450	19.64%
Professor Li	Our Company	Interest in controlled corporations *(Note 4)*	2,595,219	12.98%	25,952,190	11.68%
Professor Ko	Our Company	Interest in controlled corporation *(Note 5)*	1,944,590	9.72%	19,445,900	8.75%

Notes:

1. All interests are long positions.

2. As of the Latest Practicable Date, Mr. Li acted as the sole general partner and the executive managing partner of Wonder Innovation ESOP. Under the SFO, Mr. Li is deemed to be interested in all the Shares held by Wonder Innovation ESOP.

3. On September 8, 2022, Mr. Li and Mr. Pan entered into the Acting-in-concert Agreement, pursuant to which Mr. Pan has undertaken, among other things, to unilaterally follow the voting instructions of Mr. Li to exercise his voting power and vote unanimously at the Shareholders' meeting of our Company for so long as Mr. Li is a Shareholder of our Company. Therefore, under the SFO, in addition to their respective direct beneficial interests, each of Mr. Li and Mr. Pan is also deemed to be interested in the interest of the other concert party.

4. As of the Latest Practicable Date, Professor Ko was deemed to be interested in the Shares held by Brizan Ventures V under the SFO.

5. As of the Latest Practicable Date, Professor Li was deemed to be interested in the Shares held by Songshan Lake Robot Institute, Yinghu Intelligent and Dongguan Yunhe under the SFO.

Up to the Latest Practicable Date, none of our Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

B. Substantial Shareholders

Save as disclosed below and in "Substantial Shareholders" in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering, would fall to be disclosed to our Company under the provisions of Divisions 2 an 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

C. Disclaimers

Save as disclosed in this prospectus:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once our H Shares are listed;

(b) none of our Directors or any of the experts referred to under paragraph headed "— 5. Other Information — H. Qualification of experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of any Shares which may be taken up under the Global Offering, so far as is known to our Directors or chief executive of our Company, no person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period.

5. OTHER INFORMATION

A. Agency Fees or commissions paid or payable

Save as disclosed in "Underwriting" in this prospectus, no commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of our Company or any of our subsidiaries have been granted within two years immediately preceding the issue of this prospectus.

B. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

C. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation or arbitration which may have material and adverse effect on the Global Offering and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

D. 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. The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company a total fee of HK$6 million to act as the sponsors in connection with the Listing.

E. Compliance Advisor

Our Company has appointed Quam Capital Limited as the compliance advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

F. Preliminary Expenses

We have not incurred any material preliminary expenses.

G. Promoters

See "History and Corporate Structure — Corporate Development and Major Shareholding Changes" in this prospectus for details of our promoters.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

H. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this prospectus, are as follows:

Name	Qualification
Guotai Junan Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Huatai Financial Holdings (Hong Kong) Limited	Licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of the regulated activities under SFO
Ernst & Young	Certified public accountants; Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)

Name	Qualification
Jingtian & Gongcheng	Company's PRC Legal Advisers and the legal adviser of our Company as to PRC data compliance matters
TMI Associates	The legal adviser of our Company as to Japanese law
The Law Office of Mark A Kerstein	The legal adviser of our Company as to US law
Rödl & Partner	The legal adviser of our Company as to German and European Union law
Studio Legale De Berti Jacchia Franchini Forlani	The legal adviser of our Company as to European Union data compliance matters
Holman Fenwick Willan LLP	The legal adviser of our Company as to U.S. Outbound Investment Rule
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

I. Consents of Experts

Each of the experts named in paragraph H above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

Save as disclosed in this prospectus, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe.

J. Taxation of Holders of H Shares

Dealings in H Shares registered on our Company's H Shares register of members will be subject to Hong Kong stamp duty, the current rate charged on each purchaser and seller is 0.10% of the consideration or, if higher, the value of the H Shares being sold or transferred. Intending holders of H Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in H Shares. It is emphasised that none of our Company, Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in H Shares.

K. No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since June 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared), except as otherwise disclosed in this prospectus.

L. Binding Effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

M. Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this prospectus as mentioned in Note 35 of the Accountants' Report as set out in Appendix I to this prospectus.

N. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see "Appendix V — Summary of Articles of Association of the Company" in this prospectus.

O. Miscellaneous

Save as disclosed in this prospectus:

(a) within the two years immediately preceding the date of this prospectus:

   (i) no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

   (ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

   (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

   (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Group;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) no part of the equity and debt securities of our Company, if any, is currently listed on or dealt in on any other stock exchange or trading system nor is any listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(h) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

P. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were: (a) the written consents referred to in "Appendix VI — Statutory and General Information — 5. Other information — I. Consents of experts" in this prospectus; and (b) copies of each of the material contracts referred to "Appendix VI — Statutory and General Information — 2. Further information about our business — A. Summary of our material contracts" in this prospectus.

2. DOCUMENTS 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.onero.cn** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report of our Group from Ernst & Young, the text of which is set out in Appendix I;

(c) the report on the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Company for the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;

(e) the PRC legal opinion issued by Jingtian & Gongcheng, our legal adviser on PRC law in respect of certain general corporate matters of our Group and the property interests of our Group;

(f) the legal memorandum issued by Jingtian & Gongcheng, our legal advisers on PRC data compliance matters, in respect of data compliance matters;

(g) the Japanese legal opinion issued by TMI Associates, our legal adviser on Japanese law in respect of legal and compliance matters;

(h) the Japanese legal memorandum issued by TMI Associates, our legal adviser on Japanese law in respect of data compliance matters;

(i) the US legal opinion issued by The Law Office of Mark A Kerstein, our legal adviser on US law in respect of legal and compliance matters;

(j) the German and European Union legal opinion issued by Rödl & Partner, our legal adviser on German and European Union law in respect of legal and compliance matters;

(k) the European Union legal opinion issued by Studio Legale De Berti Jacchia Franchini Forlani, our legal adviser on European Union law in respect of data compliance matters;

(l) the legal opinion issued by Holman Fenwick Willan LLP, our legal advisers as to U.S. Outbound Investment Rule;

(m) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry research consultant, from which information in "Industry Overview" in this prospectus is extracted;

(n) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;

(o) the written consents referred to in "Appendix VI — Statutory and General Information — 5. Other information — H. Consents of Experts" in this prospectus;

(p) the material contracts referred to in "Appendix VI — Statutory and General Information — 2. Further information about our business — A. Summary of our material contracts" in this prospectus; and

(q) the service contracts and letters of appointment with our Directors (as the case may be) referred to in "Appendix VI — Statutory and General information — 3. Further information about our Directors, Chief Executives and Substantial Shareholders — A. Particulars of Directors' Contracts" in this prospectus.

OneRobotics

OneRobotics (Shenzhen) Co., Ltd.

臥安機器人（深圳）股份有限公司