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Application Proof of

SHENZHEN PU YING INNOVATION TECHNOLOGY CORPORATION LIMITED

深圳普赢创新科技股份有限公司

(the “**Company**”)

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

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SHENZHEN PU YING INNOVATION TECHNOLOGY CORPORATION LIMITED*

深圳普赢创新科技股份有限公司

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

[REDACTED]

Number of [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] 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 : RMB[1.0] per H Share
[REDACTED] : [•]

Sole Sponsor



[REDACTED], [REDACTED], [REDACTED] and [REDACTED]

[REDACTED]

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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the Company on the [REDACTED], which is expected to be on or about [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] is expected to be not more than HK\$[REDACTED] per [REDACTED] and is expected to be not less than HK\$[REDACTED] per [REDACTED], unless otherwise announced. Applicants for [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK\$[REDACTED] for each [REDACTED] together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is lower than HK\$[REDACTED]. If, for any reason, the [REDACTED] (for themselves and on behalf of the [REDACTED]) and we are unable to reach an agreement on the [REDACTED] at or before 12:00 noon on [REDACTED], the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and on the website of the Company at www.olicom-group.com, not later than the morning of the last day for lodging applications under the [REDACTED]. Please refer to “Structure of the [REDACTED]” and “How to Apply for the [REDACTED]” in this document for further details.

Prior to making an [REDACTED] decision, [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in “Risk Factors” in this document. The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for, the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain events shall occur prior to 8:00 a.m. on the day that [REDACTED] in the H Shares commence on the Stock Exchange. Such grounds are set out in “[REDACTED]” in this document. It is important that you refer to that section for further details.

The [REDACTED] 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 [REDACTED], [REDACTED], [REDACTED] or [REDACTED] within the United States or to, or for the account or benefit of U.S. persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and [REDACTED] outside the United States in offshore transactions in reliance on [REDACTED] under the U.S. Securities Act.

[REDACTED]

* For identification purpose only

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher [REDACTED] risk may be attached than other companies [REDACTED] on the Stock Exchange. [REDACTED] should be aware of the potential risks of [REDACTED] in such companies and should make the decision to [REDACTED] only after due and careful consideration.

Given that companies [REDACTED] on GEM are generally small and mid-sized companies, there is a risk that securities [REDACTED] on GEM may be more susceptible to high market volatility than securities [REDACTED] on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities [REDACTED] on GEM.

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

This document is issued by us solely in connection with the [REDACTED] and does not constitute an [REDACTED] to [REDACTED] or a solicitation of an [REDACTED] to [REDACTED] any security other than the [REDACTED] [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of, and does not constitute, an [REDACTED] or a solicitation of an [REDACTED] to [REDACTED] for or [REDACTED], any security in any other jurisdiction or in any other circumstances. No action has been taken to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the [REDACTED] and [REDACTED] of the [REDACTED] 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 authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this document to make your [REDACTED] decision. We have not authorised anyone to provide you with information that is different from what is contained in this document. Any information or representation not made in this document must not be relied on by you as having been authorised by us, the Sole Sponsor, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of our or their respective directors, officers or representatives, or any other person or party involved in the [REDACTED]. The contents of our Company’s website at www.olicom-group.com do not form part of this document.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a PRC-based manufacturer of enterprise-grade financial intelligent printing and document processing equipment. We design, develop, manufacture and market three principal product categories: (i) mission – critical specialised printers and all-in-one printing and scanning equipment, (ii) smart kiosks and terminals, and (iii) consumables, spare parts and other products. Our products are primarily used in the banking and financial sector for document printing and processing applications, including the printing of deposit certificates and bills. We sell our products through both distributors and direct sales channels to customers in the PRC and overseas. As of the Latest Practicable Date, we had served over 186 customers and our products had been sold to more than 54 countries and regions.

The financial intelligent printing and document processing industry has evolved from standalone printing devices to integrated intelligent terminals. In line with this trend, we provide document processing solutions integrating printing, scanning, recognition, magnetic stripe reading and writing and human-machine interaction functions to support banking counter, smart branch and self-service terminal applications. Our products are designed to meet the operational reliability, security and compatibility requirements of financial institutions and support the processing of various specialised media.

We have obtained various domestic and international product certifications and registrations, including CCC, CB, NRTL and CE certifications, and maintain ISO 9001 and ISO 14001 certifications for our headquarters and manufacturing facilities. Our products are designed to comply with applicable regulatory requirements in the markets where they are sold and are compatible with customers’ existing financial systems.

Our Business Model

We operate an integrated business model covering the design, research and development, manufacturing and sales of mission-critical specialised printers and all-in-one printing & scanning equipment, smart kiosks & terminals, and consumables, spare parts and other products. We conduct product design, research and development and manufacturing in-house, and sell our products globally through a combination of direct sales and authorised distributors, primarily to customers in the banking and financial sector.

Our mission-critical specialised printers and all-in-one printing & scanning equipment constitute our principal product category and main source of revenue. Smart kiosks & terminals support our development in digital and intelligent self-service applications. Consumables, spare parts and other products generate recurring revenue driven by replacement demand, maintenance and life cycle support from our installed base. These product categories collectively support ongoing customer demand across the product life cycle and complement our equipment sales with recurring after-sales revenue.

OUR STRENGTHS

Our success is underpinned by our leading position in the financial intelligent printing and document processing equipment market, proprietary technology capabilities, extensive global distribution network and long-standing customer relationships.

SUMMARY

According to Frost & Sullivan, we ranked first globally in terms of revenue in the financial smart printing and scanning equipment market in 2025, with products distributed across more than 54 countries and regions and a substantial installed base. We have developed proprietary technologies covering precision mechanics, Magnetic Ink Character Recognition (“MICR”), anti-counterfeiting technologies and embedded control systems, enabling us to provide specialised solutions for financial document processing applications. Supported by our authorised distributor and direct sales model, we have established a global sales and service network with localised operational capabilities, serving over 186 customers worldwide. Our mission-critical specialised printers and all-in-one printing & scanning equipment, smart kiosks & terminals, and consumables, spare parts and other products form a complementary product portfolio that supports customers’ operational and maintenance requirements throughout the product life cycle. We have established long-term relationships with customers and distribution partners, benefiting from customer loyalty and recurring demand for consumables, spare parts, maintenance and other life cycle services. In addition, our integrated manufacturing capabilities and experienced management team support product quality, operational efficiency and the execution of our long-term growth strategy.

OUR STRATEGIES

Our strategies to drive further growth is to strengthen our position as a provider of financial intelligent printing and document processing solutions by expanding our digital and intelligent solution capabilities. We plan to further develop an integrated business model covering hardware, firmware, software and related services to better address the evolving needs of financial institutions. We will continue to enhance our three complementary product categories, namely mission-critical specialised printers and all-in-one printing & scanning equipment, smart kiosks & terminals, and consumables, spare parts and other products, while increasing the contribution of intelligent self-service solutions and value-added services. We also intend to leverage our established customer base, global sales and distribution network and research and development capabilities to expand our presence in existing and new markets, strengthen customer relationships and capture opportunities arising from the digital transformation of the banking and financial sector. Through these initiatives, we aim to broaden our revenue streams, enhance our recurring business and support our long-term business growth.

OUR REVENUE MODEL

The following table sets forth a breakdown of our revenue by goods type both in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>				
Mission-critical specialised printers and all-in-one printing & scanning equipment	120,674	84.4	112,050	85.2
Smart kiosks & terminals	8,105	5.7	5,216	4.0
Consumables, spare parts and other products	14,164	9.9	14,249	10.8
Total	142,943	100.0	131,515	100.0

SALES AND MARKETING

We have established a global sales network covering Chinese Mainland, Asia (other than Chinese Mainland), Europe, North America and other countries/regions. During the Track Record Period, we generated revenue primarily through distribution and direct sales. Under our distributorship model, we sell our products to distributors, who then resell the products to downstream customers in their respective markets. Under our direct sales model, we sell directly to financial institutions, and postal operators, which enables us to develop closer customer relationships, provide tailored product configurations and offer full-life cycle services.

SUMMARY

Our revenue from direct sales increased from RMB13.9 million in 2024 to RMB21.2 million in 2025, representing an increase of 52.5%, while our revenue from distribution decreased from RMB129.1 million in 2024 to RMB110.3 million in 2025, representing a decrease of 14.6%. The increase in direct sales was mainly attributable to our continued development of direct sales capabilities and increased direct procurement from direct sales customers, while the decrease in distribution revenue was mainly attributable to our channel optimisation and the decrease in the total number of distributors.

The following table sets forth the breakdown of our revenue by geographical locations of our customers during the Track Record Period.

	Year ended December 31,				Sales Model
	2024		2025		
	Amount	%	Amount	%	
	(RMB in thousands, except percentages)				
Chinese Mainland	8,623	6.0	10,874	8.3	Distributorship
Asia (other than Chinese mainland) ¹	94,020	65.8	78,949	60.0	Distributorship
Europe ²	11,657	8.2	30,930	23.5	Distributorship and direct sales
North America ³	14,947	10.5	5,838	4.4	Distributorship
Others ⁴	13,696	9.5	4,924	3.8	Distributorship
Total revenue	142,943	100.0	131,515	100.0	

Note:

1. Asia (other than Chinese Mainland) mainly included India, Turkey, Taiwan, China, Singapore, Pakistan, and UAE.
2. Europe mainly included Italy and Spain.
3. North America mainly included Mexico.
4. Others included countries and regions in Africa, South America, Oceania and elsewhere.

We conduct targeted marketing initiatives to promote our products globally, including participating in international industry exhibitions, providing marketing materials, training and remote technical guidance to distributors, conducting targeted business development for key institutional customers and carrying out online brand promotion. We have also inherited an extensive global sales network through the acquisition of the banking & postal business of [REDACTED], which enables us to expand our market coverage, enhance customer proximity and strengthen our overall market competitiveness.

MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily comprised distributors, financial institutions, and postal operators. For the years ended December 31, 2024 and 2025, revenue generated from our five largest customers amounted to RMB69.3 million and RMB59.4 million, respectively, accounting for 48.5% and 45.2% of our total revenue, respectively. In addition, revenue generated from our largest customer amounted to RMB20.9 million and RMB15.0 million, respectively, accounting for 14.6% and 11.4% of our total revenue, respectively. For details, see “Business – Our Customers – Major Customers” for more details.

During the Track Record Period, we mainly procured raw materials, components and certain finished products from our suppliers. For the years ended December 31, 2024 and 2025, purchases from our five largest suppliers amounted to RMB21.0 million and RMB14.9 million, respectively, accounting for 30.3% and 24.2% of our total procurement amount, respectively. In addition, purchases from our largest supplier amounted to RMB5.2 million and RMB3.7 million, respectively, accounting for 7.4% and 6.0% of our total purchases, respectively. For details, see “Business – Our Suppliers – Major Suppliers” for more details.

SUMMARY

COMPETITION

The global mission-critical printing and scanning equipment market is fragmented and competitive, comprising a small group of established global manufacturers and numerous regional small and medium-sized participants. Market participants compete primarily on product reliability, proprietary core technologies, large-scale delivery capabilities, global sales and service coverage and full-life-cycle support. Given the mission-critical nature of applications in the financial, government and transportation sectors, customers also place significant emphasis on long-term operational stability, regulatory compliance, system compatibility and service responsiveness, resulting in relatively high qualification requirements and switching costs.

According to the Frost & Sullivan Report, based on cumulative shipments from 2016 to 2025, we ranked first in the global mission-critical printing and scanning equipment market, with a cumulative installed base of approximately 748,518 units, representing approximately 4.9% of the relevant global installed base. Based on revenue in 2025, we also ranked first in the global financial smart printing and scanning equipment market, with a market share of approximately 10.1%, and ranked first in Asia-Pacific and Europe, with market shares of approximately 9.9% and 20.0%, respectively. We differentiate ourselves through our self-developed core components and equipment control technologies, extensive industry and large-scale deployment experience, broad end-customer coverage and established global sales and service network.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our historical financial information, including the accompanying notes, set forth in the Accountant’s Report in Appendix I to this document, as well as the information set forth in the section headed “Financial Information.”

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
REVENUE	142,943	131,515
Cost of sales	(95,342)	(85,624)
Gross profit	47,601	45,891
Other income and gain	5,421	2,568
Selling and distribution expenses	(13,132)	(14,238)
Administrative expenses	(15,142)	(18,566)
Research and development expenses	(8,917)	(11,743)
Reversal of impairment/(impairment) of financial assets at amortised cost, net	(993)	276
Finance costs	(313)	(148)
PROFIT BEFORE TAX	14,525	4,040
Income tax	(6,542)	(1,509)
PROFIT FOR THE YEAR	7,983	2,531
OTHER COMPREHENSIVE LOSS/(INCOME)		
<i>Other comprehensive loss/(income) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(1,190)	27
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,793	2,558
Profit attributable to:		
Owners of the parent	7,983	2,531
Total comprehensive income attributable to:		
Owners of the parent	6,793	2,558

SUMMARY

Summary of Consolidated Statements of Financial Position

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	59,901	54,436
Right-of-use assets	1,003	1,059
Intangible assets	2,159	1,080
Equity investment designated at fair value through other comprehensive income	—	—
Prepayments and deposits	275	244
Deferred tax assets	3,030	2,969
Total non-current assets	66,368	59,788
CURRENT ASSETS		
Inventories	31,576	25,415
Trade and bills receivables	23,818	18,068
Prepayments, deposits and other receivables	6,284	6,883
Tax recoverable	116	593
Cash and cash equivalents	72,811	92,668
Total current assets	134,605	143,627
CURRENT LIABILITIES		
Trade payables	8,738	18,330
Other payables and accruals	15,814	18,051
Interest-bearing bank borrowings	8,453	—
Lease liabilities	545	668
Tax payable	1	736
Total current liabilities	33,551	37,785
NET CURRENT ASSETS	101,054	105,842
TOTAL ASSETS LESS CURRENT LIABILITIES	167,422	165,630
NON-CURRENT LIABILITIES		
Deferred tax liabilities	248	—
Lease liabilities	519	444
Provisions	952	1,140
Total non-current liabilities	1,719	1,584
Net assets	165,703	164,046
EQUITY		
Equity attributable to owners of the parent		
Share capital	78,500	78,500
Reserves	87,203	85,546
Total equity	165,703	164,046

SUMMARY

Summary of Statements of Cash Flows

	Year ended December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,525	4,040
Adjustments for:		
Finance costs	313	148
Interest income	(2,805)	(2,138)
Depreciation of property, plant and equipment	6,433	5,848
Depreciation of right-of-use assets	651	657
Amortisation of intangible assets	1,155	1,169
Loss on disposal/write-off of items of property, plant and equipment, net	80	26
Write-off of intangible assets	–	54
Write-down of inventories to net realisable value	2,073	4,167
Impairment/(reversal of impairment) of trade receivables, net	984	(308)
Impairment of other receivables, net	9	32
Equity-settled share-based payment expense	–	2,457
	23,418	16,152
Decrease in inventories	7,466	2,406
(Increase)/decrease in trade and bills receivables	(6,989)	6,798
Decrease/(increase) in prepayments, deposits and other receivables	441	(488)
(Decrease)/increase in trade payables	(10,004)	9,396
(Decrease)/increase in other payables and accruals	(1,618)	3,946
(Decrease)/increase in provisions	(221)	106
Cash generated from operations	12,493	38,316
Taxes paid	(910)	(1,306)
Taxes refunded	276	–
Interest received	2,805	2,138
Net cash flows from operating activities	14,664	39,148
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(1,950)	(1,053)
Additions to intangible assets	(73)	(142)
Proceeds from disposals of items of property, plant and equipment	1,090	268
Net cash flows used in investing activities	(933)	(927)

SUMMARY

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(255)	(108)
Dividends paid	(6,044)	(6,672)
New bank borrowings	9,920	–
Repayment of bank borrowings	(9,667)	(8,453)
Repurchases of shares	(4,250)	(4,250)
Proceeds from grant of share awards	–	2,000
Principal portion of lease payments	(642)	(668)
Interest portion of lease payments	(58)	(40)
Net cash flows used in financing activities	(10,996)	(18,191)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,735	20,030
Cash and cash equivalents at beginning of year	71,523	72,811
Effect of foreign exchange rate changes, net	(1,447)	(173)
CASH AND CASH EQUIVALENTS AT END OF YEAR	72,811	92,668

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our business operations and mitigate the effects of fluctuations in cash flows. Our Directors are of the opinion that, taking into account the estimated [REDACTED] from the [REDACTED] and other financial resources available to us, including cash and cash equivalents, cash flows from operating and investing activities, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zheng Xiaohui, Shenzhen Yun’ao and Shenzhen Yunzhong directly held 1.57%, 28.66% and 17.71% in our Company. Mr. Zheng Xiaohui and Ms. Zhao Hui, the spouse of Mr. Zheng Xiaohui, held 95.00% and 5.00% of the interest, respectively, in Shenzhen Yun’ao, which acts as the general partner of Shenzhen Yunzhong. Mr. Zheng Xiaohui and Ms. Zhao Hui are deemed to be the beneficial owners of the 17.71% equity interest in the Company held by Shenzhen Yunzhong. Accordingly, Mr. Zheng Xiaohui, Ms. Zhao Hui, Shenzhen Yun’ao and Shenzhen Yunzhong will be regarded as our Controlling Shareholders under the GEM Listing Rules before the [REDACTED].

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zheng Xiaohui, Ms. Zhao Hui, Shenzhen Yun’ao and Shenzhen Yunzhong will collectively be entitled to exercise approximately [REDACTED]% voting rights in our Company and thus remain as our Controlling Shareholders. Please refer to the section headed “Relationship with Controlling Shareholders” for further details.

Our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, they did not have any interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business and which would require disclosure under Rule 11.04 of the GEM Listing Rules.

SUMMARY

[REDACTED] INVESTMENT

Since 2015, we have entered into several rounds of [REDACTED] Investments through capital increases and share issuance among our existing shareholders and [REDACTED] Investors. Our [REDACTED] Investors include Infotech Fund, Infotech Ventures and other individual [REDACTED], who have made investments in our Company in accordance with Chapter 2.3 of the Guide for New Listing Applicants. As of the Latest Practicable Date, Infotech Fund and Infotech Ventures held approximately 25.48% and 3.15%, respectively, of our Company’s total issued share capital, and will hold approximately [REDACTED]% and [REDACTED]%, respectively, upon the [REDACTED] (assuming that the [REDACTED] is not exercised). For details, see “History, Development and Corporate Structure – [REDACTED] Investment” for further details.

[REDACTED] STATISTICS

[REDACTED]

DIVIDEND POLICY

During the Track Record Period, we paid dividends of RMB6.0 million and RMB6.7 million to our shareholders in 2024 and 2025, respectively. Such dividends represented the profit distributions for the years ended December 31, 2023 and 2024, respectively, which were approved by our Shareholders at the annual general meetings held on June 27, 2024 and June 30, 2025, respectively. On June 25, 2026, our Shareholders resolved not to declare any dividend in respect of the year ended December 31, 2025.

We currently expect to retain all future earnings for use in operation and expansion of our business, and do not pay any dividends in the foreseeable future. We do not have any fixed dividend policy nor pre-determined dividend payout ratio. The declaration and payment of any dividends in the future will be subject to the approval of our Shareholders in a shareholder’s meeting, our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the commercialisation of our products and solutions as well as our earnings, capital requirements, overall financial condition and contractual restrictions.

As confirmed by our PRC Legal Adviser, we are required to allocate 10% of our profit after tax to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Accordingly, any future declaration and payment of dividends will also be subject to our allocation of sufficient profit to the statutory common reserve fund in accordance with the PRC laws. However, there can be no assurance that dividends will be declared or paid in the foreseeable future.

SUMMARY

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to our intellectual property rights; (iii) risks relating to our financial condition; and (iv) risks relating to the [REDACTED] and our shares. The risks include, among others, the following: (i) our business depends on our ability to innovate and adapt our products to rapid technological changes and evolving threats; failure to do so would cause us to lose customers and harm our results of operations; (ii) We operate in a competitive market and may not be able to compete successfully against our existing and future competitors; (iii) a significant portion of our revenue is derived from international markets and we are therefore subject to any material adverse changes to these markets; (iv) If our trademarks and trade names do not receive adequate protection, we may not be able to establish our reputation in the targeted markets; or if we are unable to protect the confidentiality of our trade secrets and other confidential information (including the non-patented proprietary technology we rely on), our business and competitive position will be impaired; or if we are unable to protect our other intellectual property rights, our business, financial condition and results of operations may be materially and adversely affected; and (v) our expansion into international markets may not be successful.

[REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of HK\$[REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED] range), we expect to incur approximately HK\$[REDACTED] of [REDACTED] (including the aggregate [REDACTED], the Stock Exchange [REDACTED], the [REDACTED] and the Stock Exchange [REDACTED], legal and other professional fees and printing and all other expenses relating to the [REDACTED]), including (i) [REDACTED] (including [REDACTED] and other expenses of approximately HK\$[REDACTED]) and (ii) non [REDACTED] of approximately HK\$[REDACTED], comprising (a) fees and expenses of legal advisors and accountants of approximately HK\$[REDACTED] and (b) other fees and expenses of approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED]. Approximately HK\$[REDACTED] of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately HK\$[REDACTED] is expected to be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

LEGAL PROCEEDINGS AND COMPLIANCE

Our Group has not been involved in any material litigation, arbitration or administrative proceedings during the Track Record Period or as of the Latest Practicable Date that may have a material adverse effect on our Group’s business, financial condition or results of operations.

As of the Latest Practicable Date, our Italian subsidiary was involved in two pending litigations brought by the Italian Social Security Authority (“INPS”) in relation to the alleged incorrect calculation of social security contributions. Based on the advice of our Italian Legal Adviser, such litigations may result in additional payment obligations by our Italian subsidiary, and our Italian subsidiary has recognised appropriate provisions for the relevant exposure. Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceedings and had not been subject to any material non-compliance with applicable laws and regulations. For details, see “Business – Legal Proceedings and Compliance”.

During the Track Record Period and up to the Latest Practicable Date, our Group has complied in all material respects with applicable laws and regulations in the jurisdictions where it operates. No material breach of laws or regulations has occurred, and no material penalties, fines or sanctions have been imposed on our Group. We had obtained all material licenses, approvals and permits required for our operations in all material respects, and had implemented internal control measures in respect of sanctions, trade compliance, anti-money laundering and third-party settlement arrangements.

SUMMARY

FUTURE PLANS AND [REDACTED]

Assuming that the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED], we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED], after deducting [REDACTED] fees and expenses payable by us in the [REDACTED].

In line with our strategies, we intend to [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the further development and commercialisation of our MB2 Inkjet Printers, which is designed to support the transition of the product from the prototype stage to commercial production and market deployment;
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the research and development, industrialisation and commercialisation of the our EMR Module project. The project aims to enhance our technological capabilities through proprietary EMR technologies and self-developed driver chips, strengthen manufacturing and supply chain capabilities, and support the commercialisation of EMR solutions for digital handwriting applications; and
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and other general corporate purposes.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since December 31, 2025, being the date of the latest reporting period of our consolidated audited financial statements as set out in the Accountants’ Report set out in Appendix I to this document.

DEFINITIONS

In this document, 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 document
“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
“Archives Rules”	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》)
“Articles” or “Articles of Association”	the articles of association of our Company, which shall become effective upon [REDACTED], as amended from time to time, a summary of which is contained in Appendix IV to this document
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“UAE”	United Arab Emirates
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of our Company
“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
“CAC”	the Cyberspace Administration of China

[REDACTED]

“Chairman”	the chairman of our Board
“China”, “PRC” or “Chinese Mainland”	the People’s Republic of China, excluding, for the purposes of this document only, the regions of Hong Kong, Macau Special Administrative Region and Taiwan of the People’s Republic of China, except where the content or context requires otherwise
“close associate(s)”	has the meaning ascribed thereto under the GEM 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

DEFINITIONS

“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”, “our Company”, “Pu Ying Innovation”, “we”, “our” or “us”	Shenzhen Pu Ying Innovation Technology Corporation Limited* (深圳普贏創新科技股份有限公司), a company established under the laws of the PRC as a limited liability company on June 18, 2012 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•], and holding company of all other companies in the Group
“Compliance Adviser”	Eddid Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto in the GEM Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Zheng Xiaohui, Ms. Zhaohui, Shenzhen Yun’ao and Shenzhen Yunzhong, and a Controlling Shareholder shall mean each or any one of them
“[REDACTED] of Unlisted Shares into H Shares”	The [REDACTED] of 78,500,000 Domestic Unlisted Shares into H Shares upon the completion of the [REDACTED]
“Copyright Law”	the Copyright Law of the PRC (《中華人民共和國著作權法》)
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Cyber Data Security Regulations”	the Regulations on the Cyber Data Security Management (《網絡數據安全管理條例》)
“Cybersecurity Law”	the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》)
“Data Security Law”	the Data Security Law of the PRC (《中華人民共和國數據安全法》)

[REDACTED]

“Director(s)”	the director(s) of our Company
“ECLs”	expected credit losses
“EIT”	enterprise income tax

DEFINITIONS

“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Employee Incentive Scheme”	The employee incentive scheme was adopted and amended in December 2021, January 2025 and June 2026, respectively. Details of which are set in “Appendix V – Statutory and General Information – 4. EMPLOYEE INCENTIVE SCHEME”
“Employee Shareholding Platforms”	Shenzhen Yunzhong Enterprise Management Partnership Enterprise (Limited Partnership) (深圳雲眾企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 18, 2021
“ESG”	environmental, social and governance
“Exchange Participant(s)”	a person: (a) who, in accordance with the Rules of the Exchange, may [REDACTED] on or through the Exchange; and (b) whose name is entered in a list, register or roll kept by the Exchange as a person who may [REDACTED] on or through the 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

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market data research and consulting company and an Independent Third Party of our Group
“Frost & Sullivan Report”	a market research report commissioned by us and prepared by Frost & Sullivan on the overview of the industry in which we operate, as referred to in the section headed “Industry Overview” of this document and elsewhere in this document
“FVTPL”	fair value through profit or loss
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“GHG”	greenhouse gas

DEFINITIONS

“Group”, “our 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 , and “we”, “us” or “our” shall be construed accordingly
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“HKASs”	Hong Kong Accounting Standards

[REDACTED]

“HKICPA”	“Hong Kong Institute of Certified Public Accountants”
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a whollyowned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“H Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and [REDACTED] in HK dollars and to be [REDACTED] on the Hong Kong Stock Exchange
“IIT Law”	Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), as amended, supplemented or otherwise modified from time to time
“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 GEM Listing Rules) with our Company
“Infotech Ventures”	Infotech Ventures Capital Co., Ltd. (盈富泰克創業投資有限公司), a limited liability company established in the PRC on April 20, 2000, being one of our [REDACTED] Investors. Further details of which are set out in “History, Development and Corporate Structure”
“Infotech Fund”	Infotech National Emerging Industry Venture Investment Guidance Fund (L.P.) (盈富泰克國家新興產業創業投資引導基金(有限合伙)), a limited liability partnership established in the PRC on September 28, 2016, being one of our [REDACTED]. Further details of which are set out in “History, Development and Corporate Structure”

[REDACTED]

“Latest Practicable Date”	June 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“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. Zheng Xiaohui”	Mr. Zheng Xiaohui (鄭曉暉), Chairman, executive Director, general manager and one of Controlling Shareholders

DEFINITIONS

“Ms. Zhao Hui”	Ms. Zhao Hui (趙慧), an executive Director, deputy general manager, chief financial officer and one of Controlling Shareholders
“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
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“OECD”	OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 (“ OECD Transfer Pricing Guidelines ”)

[REDACTED]

“Office Lease Agreement”	an office lease agreement entered into between our Company and Ms. Zhao Hui, a connected person as defined in Chapter 20 of the GEM Listing Rules
“Olicom International” or “Olicom International S.r.l.”	Olicom International S.r.l., a company incorporated under the laws of Italy on May 25, 2016, and a wholly-owned subsidiary of our Company
“[REDACTED] Company”	[REDACTED] S.p.A., a company incorporated under the laws of Italy, a company engages in the printer business

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行)
“PIPL”	the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》)

DEFINITIONS

[REDACTED]

“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the 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”	Tian Yuan Law Firm, the legal advisers of our Company as to PRC laws in connection with the [REDACTED]
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“[REDACTED] Investment(s)”	the investments made by the [REDACTED] Investors in our Company, details of which are set out in the section headed “History, Development and Corporate Structure” in this document
“[REDACTED] Investor(s)”	The [REDACTED] investors of our Company, details of which are set out in the section headed “History, Development and Corporate Structure” in this document

[REDACTED]

DEFINITIONS

[REDACTED]

“Printer Solution”	Printer Solution Innovation (HK) Company Limited, a company incorporated under the laws of Hong Kong, an Independent Third Party of our Group
“Property Valuation Report”	the property valuation report in relation to the property interest of our Group issued by Asia-Pacific Consulting and Appraisal Limited, an independent valuer, the text of which is set forth in Appendix III to this document

[REDACTED]

“Pu Ying Olicom”	Pu Ying Olicom Technology Hong Kong Limited (普贏奧利康科技香港有限公司), a company limited by shares established under the laws of Hong Kong on April 5, 2016, and a wholly-owned subsidiary of our Company

[REDACTED]

“Remuneration Committee”	the remuneration committee of the Board
“Reporting Accountants”	Ernst & Young
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“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
“SAMR”	State Administration for Market Regulation (國家市場監督管理局)
“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)
“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) in the capital of our Company with a nominal value of RMB[1.00] each, comprising the unlisted Shares and the H Shares
“Shareholder(s)”	holder(s) of Shares
[REDACTED]	
“Shenzhen Yun’ao”	Shenzhen Yun’ao Investment Company Limited (深圳雲奧投資有限公司), a company established under the laws of PRC with limited liability on July 28, 2015, and one of Controlling Shareholders
“Shenzhen Yunzhong”	Shenzhen Yunzhong Enterprise Management Partnership Enterprise (Limited Partnership) (深圳雲眾企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 18, 2021, and one of Controlling Shareholders
“Sole Sponsor”	Eddid Capital Limited
[REDACTED]	
“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 under the GEM Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“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 two years ended December 31, 2024 and 2025
“Transfer Pricing Adviser”	Ernst & Young (China) Advisory Limited

DEFINITIONS

“Trial Measures” 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》)

[REDACTED]

“Unlisted Share(s)” ordinary share(s) in the share capital of our Company with a nominal rate of RMB1.00, which are not [REDACTED] on any stock exchange

“U.S.”, “USA” or “United States” the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“U.S. Securities Act” the United States Securities Act 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

“US\$” or “U.S. dollar” United States dollars, the lawful currency of the United States

“VAT” Value-added tax

“Yunzhong Investment” Shenzhen Yunzhong Investment Co., Ltd. (深圳雲眾投資有限公司), a company incorporated under the laws of PRC on July 28, 2015, one of the promoters of our Company

“Zhuhai Puying” Zhuhai Puying Innovation Technology Co., Ltd. (珠海普贏創新科技有限公司), a company established under the laws of the PRC with limited liability on July 26, 2018, and a wholly-owned subsidiary of our Company

“%” per cent

“2019 Arrangement” the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region signed by the Supreme People’s Court of the PRC and the government of the Hong Kong Special Administrative Region on January 14, 2019

Certain amounts and percentage figures included in this document 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.

If there is any inconsistency between this document and the Chinese translation of this document, this document shall prevail. For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of inconsistency, the Chinese version shall prevail.

Unless otherwise specified, all relevant information in this document assumes that the [REDACTED] is not exercised.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document as they relate to our Company and as they are used in this document in connection with our business or us. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ATM”	automated teller machine, a basic self-service financial device for core banking services such as cash deposit and withdrawal, fund transfer and account inquiry, widely deployed in smart financial branches
“CAGR”	compound annual growth rate, the rate of annual growth that compounds over a specified period
“CB”	a certification scheme under the IECEE CB System, facilitating mutual recognition of national safety certifications among participating countries and regions for electrical and electronic products
“CCC”	China compulsory product certification, a mandatory safety certification system administered by the relevant PRC authorities for products included in the catalogue of compulsory certification within the PRC
“CE”	Conformité Européenne, a conformity marking indicating that a product complies with applicable EU health, safety and environmental protection requirements, allowing free circulation within the European Economic Area
“CIF”	cost, insurance and freight, an international trade term where the seller covers cost, freight and insurance to the destination port
“CKD”	completely knocked down a mode of local overseas assembly using fully disassembled parts
“CPS”	characters per second, a unit of measurement for print speed
“DPI”	dots per inch, a unit of measurement for print resolution and scanning accuracy
“EMC”	electromagnetic compatibility, the ability of equipment to operate without disruptive electromagnetic interference
“EMR”	electromagnetic resonance technology, used in electromagnetic screens, including passive pen, sensing, signal processing and control
“ERP”	enterprise resource planning, an integrated information system for managing finance, human resources, inventory and production
“EXW”	ex-works, an international trade term where the buyer bears all transport costs and risks from the seller’s premises
“FOB”	free on board, an international trade term where risk passes when goods are loaded on board the vessel at the port of shipment
“ISO”	International Organisation for Standardisation, a set of international standards including ISO 9001 (quality) and ISO 14001 (environmental management)

GLOSSARY OF TECHNICAL TERMS

“IWB”	interactive whiteboard
“MICR”	magnetic ink character recognition, technology for identifying magnetic ink characters on financial documents and cheques
“MTBF”	mean time between failures, a key indicator measuring equipment reliability
“NRTL”	nationally recognised testing laboratory certification, a product safety certification for the U.S. and Canadian markets
“OCR”	optical character recognition, technology that converts image text into machine-readable digital data
“Passbook Printer”	a specialised dot-matrix printer for financial passbooks, bills and certificates
“PCB”	printed circuit board, a board used to connect and mount electronic components
“Print head”	the core component that performs dot-matrix printing
“RFID”	radio frequency identification, a contactless automatic identification and data capture technology
“SKD”	semi-knocked down, a mode of local overseas assembly using semi-disassembled kits
“SMT”	surface mount technology, a production process for mounting electronic components onto printed circuit boards

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, belief, expectations or intentions for the future, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as “aim”, “anticipate”, “believe”, “can”, “consider”, “continue”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “project”, “propose”, “seek”, “should”, “will”, “would” and other similar terms. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, but not limited to, statements relating to:

- our business and operating strategies and the various measures we use to implement such strategies;
- our planned [REDACTED];
- our operations, business and financial prospects, including development plans for our business and future cash flows;
- our capital commitment plans;
- our future debt levels and capital needs;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under the section headed “Risk Factors” in this document; general economic trends; and
- other statements in this document that are not historical facts.

Such statements reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this document. Please refer to the sections headed “Risk Factors”, “Business” and “Financial Information” in this document for more details.

Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events.

Except as required by applicable laws and regulations, including the GEM Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, [REDACTED] should not place undue reliance on any forward-looking information.

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

RISK FACTORS

In addition to other information in this document, you should carefully consider the following risk factors before making any [REDACTED] decision in relation to our H Shares. These risks could materially and adversely affect our business, financial condition and results of operations. The [REDACTED] of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your [REDACTED] in our H Shares.

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We derive a significant portion of our revenue from our major customers during the Track Record Period, and any reduction in purchases from such customers may materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, a significant portion of our revenue was generated from our major customers. Revenue generated from our five largest customers amounted to approximately 48.5% and 45.2% of our total revenue for the years ended December 31, 2024 and 2025, respectively, while revenue generated from our largest customer accounted for approximately 14.6% and 11.4% of our total revenue for the same years. For details, see “Business – Customers”.

Our customers primarily comprise distributors, and other corporate customers operating in various industries, such as financial, postal and logistics. The level and timing of their purchases may vary significantly from period to period depending on a number of factors, including their procurement plans and schedules, budget allocations, business development strategies, equipment replacement cycles and demand for our products. As a result, orders from our major customers may fluctuate from year to year.

We cannot assure you that our major customers will continue to purchase our products at historical levels, renew existing business relationships with us or award us new orders in the future. Any reduction, delay or cancellation of orders from one or more of our major customers, or our failure to replace lost business with orders from existing or new customers on comparable terms, could result in reduced revenue, lower capacity utilisation and increased operating pressure, which may materially and adversely affect our business, financial condition and results of operations.

In addition, since a substantial portion of our revenue was generated from distributors most of whose end customers in the banking, postal and related sectors, changes in procurement policies, tendering arrangements, capital expenditure plans or industry demand in these sectors may adversely affect the volume and timing of our customer purchases. If demand from our major customers declines or if we are unable to maintain and expand our customer base, our business, financial condition and results of operations could be materially and adversely affected.

Our business depends on our ability to innovate and adapt our products to rapid technological changes and evolving threats; failure to do so would cause us to lose customers and harm our results of operations.

The printing equipment industry is characterised by rapid technological innovation, evolving industry standards, and changing client requirements. Responding to rapidly changing technologies and continually improving market know-how is a key competitive focus. Our total R&D costs amounted to approximately RMB8.9 million and RMB11.7 million for the years ended December 31, 2024 and 2025, respectively.

RISK FACTORS

We are subject to the following R&D-related risks: (i) we may not be able to keep up with rapid changes in technology, industrial standards, and customer requirements; (ii) our R&D plans and projects may not be successful or marketable; and (iii) we may be unable to develop and introduce new printing equipment. If any of the above occurs, we may risk losing existing and potential customers, which could adversely affect our business, results of operations, and prospects.

We operate in a competitive market and may not be able to compete successfully against our existing and future competitors.

We continuously face competition in various aspects of our business. The global printing equipment market for financial and postal sectors is fragmented, with established leaders in various sub-segments in terms of business and product development. We cannot assure you that we will be able to compete effectively or efficiently with current or future competitors. Our competitors may develop products better accepted by customers, respond more quickly to new opportunities, changing technologies, regulations, and customer needs, expand their customer base and sales network rapidly, or adopt more aggressive pricing policies and attractive sales terms. This could cause us to lose potential sales or compel us to sell our products and services at lower prices to remain competitive. If we are unable to compete successfully against our current or potential competitors, our business, results of operations, financial condition, and prospects may be materially and adversely impacted.

Our business may be significantly affected by changes in the prices and availability of raw materials and consumables.

The raw materials for our products primarily include motors, power supply, PCBs, ICs, and other consumables. We generally procure such raw materials from PRC suppliers, with a limited amount of ICs procured from our overseas supplier. Our cost of raw materials in relation to production amounted to RMB71.8 million and RMB64.7 million for the years ended December 31, 2024 and 2025, respectively, accounting for 75.3% and 75.6% of our total cost of sales for the same periods. Thus, our operating results greatly depend on our ability to source quality raw materials and consumables at competitive prices.

Prices of raw materials and consumables are subject to factors beyond our control, including global economic conditions, government policies, and industry demand. We cannot guarantee that the price of our raw materials will remain stable or that there will be no shortages. In addition, we may not be able to pass on increases in raw material costs to our customers in a timely manner or at all. Our financial results may be materially and adversely affected by such cost volatility. Although our Directors consider that we have not previously experienced any material shortage in the supply of raw materials, should there be any shortage in the raw materials, the supply of our products and financial performance of our Group may be adversely affected.

We face upstream cost pressure and limited capability to pass on cost increases to customers.

Our product costs are significantly vulnerable to fluctuations in the prices of upstream raw materials and core components, including chips, metal structural parts, motors, power supply, PCBs, ICs, and consumables, all of which are critical to the production of our printing equipment. The prices and availability of these raw materials and components may fluctuate due to factors such as supply and demand conditions and supplier pricing policies. A significant portion of our raw materials and components is sourced from suppliers in the PRC, and we generally rely on third-party suppliers for procurement. We also engage multiple suppliers and conduct regular supplier reviews; however, there is no assurance that supply and pricing of such raw materials and components will remain stable in the future.

Compounding these challenges, our ability to pass on these rising costs to customers is severely limited due to intense market competition. In the mid-to-low-end market segment and for standardised mature products, customers are highly price-sensitive, and even modest price increases may lead to the loss of orders to competitors that can offer lower prices. For high-end products, long-term procurement

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contracts with fixed pricing terms and the strong bargaining power of large customers restrict our ability to adjust prices flexibly in response to cost increases. This mismatch between rising upstream costs and limited price pass-through capability creates a squeeze in our profit margins, which may persist over the long term and adversely affect our overall profitability and financial stability.

If our distributors are not able to operate successfully or we fail to maintain good relationships with our distributors, our business, financial condition and results of operations could be materially and adversely affected.

We sell a portion of our products through distributors. For the years ended December 31, 2024 and 2025, our revenue from sales to distributors amounted to RMB129.1 million and RMB110.3 million, accounting for 90.3% and 83.9% of our total revenue, respectively. Sales to distributors are expected to remain an important component of our sales channels. If our distributors are unable to operate successfully, or if we fail to maintain good relationships with them, our business, financial condition, and results of operations could be materially and adversely affected.

Our distributors may not be able to market and sell our products successfully or maintain their competitiveness. If the sales volumes of our products to downstream customers are not maintained at a satisfactory level, our distributors may not place orders for new products with us, or they may reduce orders or request discounts on the purchase price. The loss of our distributors, or reduced orders from them, may adversely affect our access to downstream customers and our sales volume and revenue.

Any non-compliance with the distribution agreements by any of our distributors may disrupt our sales and affect our results of operations. We may also be liable for damages or fines due to defects or spoilage on the products marketed and sold by our distributors, which may have an adverse effect on our financial condition. If we fail to successfully maintain our relationships with our distributors or if our distributors fail to operate successfully, our ability to effectively sell our products could be negatively impacted. This could also negatively affect our corporate and product images, which could result in loss of customers and a decline in sales. In addition, distributors selling the same products may result in market overlaps, cannibalisation or even competition among these distributors. We cannot assure you that the expansion of our sales network will continue to be successful or will generate income as expected.

A significant portion of our revenue is derived from international markets and we are therefore subject to any material adverse changes to these markets.

During the Track Record Period, a significant portion of our Group’s revenue was generated from various overseas countries and regions including but not limited to India, Turkey, Taiwan, China, Singapore, Pakistan, UAE, Italy and Spain. For the year 2024 and 2025, approximately 94% and 91.7% of our revenue, respectively are generated from the regions other than the PRC. Please refer to the section headed “Business – Sales and Marketing” in this document for details. Our Directors anticipate that exports of our products to these overseas markets will continue to make up a significant portion of our revenue in the near future.

Given the above and our overseas sales, we are subject to various risks and uncertainties related to overseas sales, such as: (i) a global economic downturn in overseas markets that affects consumer confidence in general; (ii) fluctuations in foreign currencies’ exchange rates, particularly RMB against USD; (iii) trade barriers, such as tariffs, taxes, trade bans, import controls, and other restrictions which may increase the cost of our products, affect their competitiveness in foreign markets, or even limit or prohibit our ability to sell in certain jurisdictions; (iv) higher costs associated with understanding overseas market trends and maintaining overseas marketing and sales activities; (v) our inability to maintain or enforce intellectual property rights in overseas jurisdictions; (vi) local economic, political, social, and labour instabilities; (vii) changes in foreign laws, regulations, requirements, trade, monetary or fiscal policies, and industry standards; (viii) natural disasters, acts of war, domestic or international terrorist attacks and hostilities, or other complications; (ix) difficulty in effectively enforcing contractual provisions in local jurisdictions; (x) potential disputes with foreign parties we work with; (xi) exposure

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to litigation or third-party claims outside of China; (xii) economic sanctions, trade restrictions, discrimination, protectionism, or unfavourable policies against Chinese companies; (xiii) the enforcement of anti-corruption and anti-bribery laws, such as the Foreign Corrupt Practices Act; (xiv) the impact of applicable local tax regimes, royalties, and other payment obligations owed to local governments, as well as potentially adverse tax consequences; (xv) disruptions to capital and trading markets; (xvi) restrictions on the transfer or repatriation of funds and foreign [REDACTED]; and (xvii) concerns of local governments and regulators about our products and relevant management arrangements.

We cannot guarantee that the occurrence of these uncertainties would not affect a particular country where our products sold. Any occurrence of these uncertainties may materially adversely affect the continuity of our business, results of operations, and financial condition.

Our financial performance and results of operations may be adversely affected by trade protectionism, global trade policies and any further increase in the tariffs imposed on our products exported to the United States.

Our overseas sales may be impacted by unfavourable changes in global trade policies and trade protectionism measures beyond our control, including the imposition of sanctions, trade barriers, and boycotts. The introduction of such measures in major markets such as Asia (excluding the PRC), Europe, and the United States could adversely affect international trade and our overall export volume and value. Our sales and financial performance may be negatively affected as a result. Additionally, trade protectionism may create financial market volatility, which may slow down economic activity in our major export markets and, consequently, negatively impact our business strategies and financial performance in those markets. We cannot guarantee that our products will not be subject to anti-dumping duties, or quota fees when exported to our major markets, including the United States.

Notably, geopolitical tensions and trade frictions between major economies, including Sino-U.S. trade dynamics, may indirectly impact our business through spillover effects, such as disrupted supply chains, fluctuating commodity prices, and reduced global economic confidence. While our sale to the United States accounted for only 0.18% of total revenue in 2024 (RMB0.26 million) and 1.18% in 2025 (RMB1.55 million), secondary impacts, such as tariffs imposed by third countries on products containing U.S.-sourced components, or shifts in global supply chains away from China-based manufacturers, could still affect our operations. For instance, changes in U.S. export controls on key electronic components (for example, chips) used in our printing equipment may restrict our access to critical inputs, leading to production delays or increased procurement costs.

As of the Latest Practicable Date, trade policies in several of our major markets remain uncertain. For example, changes to import tariff schedules in the EU, regulatory adjustments to technical certification requirements in Southeast Asia, or trade restrictions in the Middle East could increase our compliance costs and extend product launch timelines. During the Track Record Period, tariffs and trade-related costs were generally borne by our customers according to the terms of our sales agreements. However, if trade barriers or tariff hikes become excessive, our customers may seek alternative suppliers with lower trade-related costs, or request price reductions that compress our profit margins. Such developments could render our products less price competitive in key markets and adversely affect our business, results of operations, and financial condition.

Any additional trade restrictive measures imposed by our major export markets, such as higher tariffs, stricter customs clearance procedures, or bans on certain imports, could increase our customers' purchase costs, reduce order volumes, and harm our profitability and overall results of operations. These measures may also affect the competitiveness of our products against local competitors or manufacturers based in jurisdictions not subject to similar trade restrictions. If our customers in affected markets reduce or stop placing purchase orders with us, and we are unable to quickly find alternative customers or adjust our market strategy, our business performance, financial condition, and results of operations may be materially adversely affected.

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Furthermore, we cannot guarantee that there will be no further amendments or updates to applicable trade policies, tariff rates, or import regulations in our target markets. Changes in these policies may require us to restructure our supply chain, adjust pricing strategies, or redirect resources to less affected markets, which could involve significant costs and management efforts. If we are required to bear additional trade-related costs, such as tariffs, certification fees, or logistics surcharges, that cannot be passed on to customers, our financial performance may be materially and adversely affected. Additionally, we cannot guarantee that we will be able to respond quickly enough to economic, market, or regulatory changes in our overseas markets, and any failure to do so may have an adverse effect on our business performance, financial condition, and results of operations.

We could be adversely affected as a result of sales in countries that are subject to evolving economic sanctions by the United States, the European Union, the United Nations, Australia and other relevant sanctions authorities.

As part of our international operations, we make direct sales to direct sales customers or our distributors may sale our products to end customers located in various countries and jurisdictions around the world. As part of our business strategy, we hope to continue to grow our international sales revenues, and expand the countries in which we make sales. This may require us to modify our risk and internal controls policies to assure that we continue to comply with the various laws and regulations applicable to doing business in such areas, including international sanctions laws, export controls and similar laws. Compliance with international sanctions laws and regulations could also limit our ability to expand our international sales as much as we would intend, and increase the compliance costs we incur to make sure that we do not violate any applicable regulations.

In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical friction. Changes to national trade or investment policies, treaties and tariffs, fluctuations in exchange rates or the perception that these changes could occur, could adversely affect our expansion into overseas markets. For example, commencing in February 2025, the U.S. government has announced increased tariffs on imports from various countries including, most significantly, China. U.S. tariffs on imports from China have escalated substantially, resulting in China imposing high retaliatory tariffs on imports from the United States. It remains unclear whether additional new tariffs will be imposed by the U.S. government on imported goods and, if so, at what level and for how long. Other effects of such actions, including retaliatory tariffs and responsive actions from other nations, as well as potential renegotiation of international trade agreements, remain unpredictable. The United States and other jurisdictions or organisations, including the European Union, the United Nations and Australia, have comprehensive or broad economic sanctions targeting sanctioned countries, or against industry sectors, groups of companies or persons, and/or organisations within such countries. These sanctions programmes are reviewed or amended by sanctions authorities from time to time, and new requirements or restrictions could come into effect which might increase scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions, or being sanctionable. If we were required to pay penalties as a result of any sanctions violations, or alter our business to prevent violation of sanctions rules or regulations, it could adversely impact our results of operations.

In addition, economic sanctions laws imposed by the United States, European Union, and other jurisdictions may expose us to potential compliance risks. Sanctions laws prohibit business in or with certain countries or governments, and with certain persons or entities that have been sanctioned by the United States, the European Union or other governments and international or regional organisations, such as the United Nations Security Council. Our intended international business growth could expose us to international sanction risks. It is possible that governmental authorities may in the future impose sanctions on us, particularly in the event that we fail to detect and, as appropriate, remediate such violations, and there can be no assurance that we can always be in compliance with all such sanctions laws in the future. We also cannot predict with certainty the interpretation or implementation of any sanctions laws or policies or their future changes. Any alleged violations of sanctions laws or engagement in sanctionable activities could adversely affect our reputation, business, results of operations and financial condition.

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Unexpected disruptions to our production facilities and liability in connection with industrial accidents during our production process may adversely affect our business operations.

Our operations at our Zhuhai production base are subject to operational risks, including disruption of water or power supply, breakdown or malfunction of machinery, which could result in delays, temporary suspension, or partial or complete shut-downs of our production. If our production base, suppliers, or customers experience operational disruptions, we may encounter material supply chain disruptions, delays in raw material delivery, suspension of production activities, or substantial delays in product delivery to customers, which in turn may adversely affect our business and financial condition. Any increase in electricity costs in the future will also raise our production costs. In addition, disruptions to our operations may affect our production volume and plant utilisation rate, leading to a drop in gross profit margin and profitability.

Moreover, our production process involves the operation of tools, equipment, and machinery, and there is no assurance that industrial accidents (resulting from machinery malfunctions or other reasons) will not occur in the future, leading to injuries or deaths. In such events, we may be liable for personal injury or death, monetary losses suffered by employees, fines or penalties, or other legal liability arising from violations of applicable laws and regulations. We may also face business disruptions due to equipment shutdowns for investigation or implementation of safety measures, which may materially and adversely affect our business, financial condition, and results of operations.

Failure to maintain an effective quality control system on the manufacturing of our products could harm our business.

We believe that product quality is critical to our business success. However, there is no assurance that our products are entirely free from defects or that we will continue to maintain effective quality control over the manufacturing of our printing equipment in the future, as this depends on factors such as employees’ adherence to quality control measures and guidelines.

Consequently, any product defects identified by customers or end users might erode our reputation and negatively affect customer relationships and future business. Further, if our products fail to meet customer specifications and requirements, or if defective or substandard products result in product returns, large-scale recalls, or customer losses leading to product liability claims, our Group may be subject to compensation claims and other legal liabilities. Regardless of the outcome of any such claim, we may incur significant legal costs. Product failures, defects, customer complaints, or negative publicity could lead to decreased sales of relevant products, which could materially and adversely affect our business, financial condition, and results of operations.

We rely on third-party logistics service providers and courier companies to deliver our products.

Since we do not have our own transportation team, we generally engage independent logistics service providers for the transport or delivery of our products to locations designated by our customers. If logistics service providers fail to comply with transportation arrangements or regulatory requirements, they may fail to deliver our products to customers in a timely manner or at all. If any of our existing logistics service providers fail to fulfil their delivery obligations, we may not be able to find suitable replacements on a timely basis, which could materially and adversely affect our business, financial performance, and operations.

The continuity of our business is reliant on our capacity to retain our Directors, senior management, and other key personnel, as well as attracting and recruiting new talented individuals.

Our future growth largely depends on the continuing contribution from, and our ability to retain, our Directors, senior management, and key personnel. The expertise and experience of our senior management in our industry are crucial to our success. Our success also depends on our key personnel with technical experience. We cannot assure you that the service of our Directors, senior management,

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and key personnel will continue in the future. Should any of our current Directors, senior management, or key personnel become unable or unwilling to work for us, we may incur additional expenses to recruit and retain suitable replacements. In the event that we are unable to recruit new talented individuals who have similar knowledge or experience, or if any of our Directors, senior management, or key personnel joins our competitors or establishes a new company that becomes a competitor, our business may be adversely affected.

Any prolonged labour shortage could materially and adversely affect our operations and financial results.

Some of our manufacturing processes are labour-intensive. As of December 31, 2025, we had 119 employees in total. The majority of our employees are based in Zhuhai, PRC, where our core operational team is concentrated. Please refer to the section headed “Business – Employees” in this document for details. There is no assurance that we will be successful in retaining and recruiting suitable and qualified workers in sufficient numbers and in time for our existing and future manufacturing operations at reasonable costs, or at all. Any prolonged shortage of labour could materially and adversely affect our operations and financial results.

Failure to obtain or renew any or all of the licenses, certificates and permits our business required could adversely affect our business, financial condition and results of operations.

We are required to maintain various licenses, certificates, and permits to operate our business, including product certifications such as CCC, CB, NRTL, and CE, as well as management system certifications such as ISO9001 and ISO14001. Our production base in Zhuhai, PRC subject to annual product quality inspection by the regulatory authorities for compliance with relevant laws and regulations. If we fail to pass these inspections, or otherwise obtain or renew our necessary licenses, certificates, and permits, which could lead to temporary or permanent suspension of some or all of our production activities, thus would adversely affect our business, financial condition, and results of operations.

Our sustainable growth depends on effective development and optimisation of global sales network and customer relationships.

We sell our products globally through a combination of direct sales and distributorship, and our customers are located in more than 50 countries and regions. We have also established subsidiaries in Hong Kong and Italy to support our overseas regional business development, customer relationship management and after-sales services. Our ability to sustain and expand our business depends on our capability to continuously develop, manage and optimise our sales network and distribution channels in different markets. If we are unable to effectively maintain or expand our global sales network, or if our distributors or local partners fail to perform effectively, our market coverage and sales efficiency may be adversely affected.

We rely on long-term relationships with distributors and our enterprise customers, particularly in financial segment, for the sale of our products. Our products are often integrated into end users’ operational workflows and we provide customised firmware, technical support, spare parts and life cycle services. These factors may create switching costs for customers and support customer retention. However, if we fail to maintain stable customer relationships or meet evolving customer requirements, including customisation and service needs, we may lose existing customers or fail to secure repeat orders. Any such loss of customers or reduction in order volume may adversely affect our business, financial condition and results of operations.

Our insurance policies may not be adequate to cover all risks of loss associated with our business operations.

We maintain different types of insurance policies. However, there is no assurance that our current insurance coverage will cover all types of risks involved in our business operations or be sufficient to cover the full extent of losses or liabilities for which we may be held liable. As a result, we may have to

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pay for uninsured financial or other losses, damages, and liabilities out of our own resources. In addition, we cannot guarantee that we can renew our policies on similar or acceptable terms, or at all. If we suffer severe unexpected losses or losses that far exceed the policy limits, it could have a material and adverse effect on our business, financial position, results of operations, and prospects.

We may experience failures in our information technology systems.

We rely heavily on our information technology systems for daily operations, particularly our ERP system, which supports various aspects of our operations including contract management, safety and quality control, documentation management, production management, human resources, and accounting and finance management. The ERP system also supports key operational processes such as project management and procurement. However, we cannot assure you that our information technology systems will not suffer damage or interruption in the future due to power outages, computer viruses, hardware and software failures, telecommunications failures, fires, natural disasters, or other similar events. Restoring damaged information technology systems may incur significant costs and require additional workforce. If any serious damage or significant interruption occurs, we may experience system errors and operational disruptions, which could adversely affect our business.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees, customers, suppliers or other third parties.

We may be exposed to fraud, bribery, or other misconduct committed by our employees, customers, suppliers, or other third parties, which could subject us to financial losses and sanctions imposed by governmental authorities, and adversely affect our reputation. We may be unable to prevent, detect, or deter all such instances of misconduct. Any such misconduct against our interests, whether past undetected acts or future acts, may have a material adverse effect on our business and results of operations.

We are subject to various risks relating to third-party payments.

During the Track Record Period, we accepted payments made on behalf of a customer through the accounts of a third-party payer. As of December 31, 2024, the total purchase price relating to such customer amounted to US\$318,500, representing approximately 1.6% of the total revenue of our Group for the year ended December 31, 2024. As at the Latest Practicable Date, the third-party payer had settled an aggregate amount of US\$170,000 to our Group, representing approximately 53.4% of the total purchase price relating to such customer, while the outstanding balance amounted to US\$148,500. For details, please see “Business – Third Party Payment” in this document.

We were subject to various risks relating to such third-party payment arrangements, including (i) possible claims from third-party payer for return of funds as it was not contractually indebted to us and possible claims from liquidators of the third-party payer; and (ii) potential money-laundering risks as we have limited knowledge about the source of the funds utilised by the third-party payer and its identity. In the event of any claims from third-party payer or its liquidators, or legal proceedings, including civil, criminal or regulatory actions, instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims, legal proceedings or regulatory actions, and we may be forced to comply with the court ruling or order and return the payment for the products that we sold and delivered, and services that we provided.

To address any ESG-related risks, we may incur additional costs, which could have a material adverse effect on our financial performance.

In order to identify, manage, and mitigate ESG-related risks, we may incur additional expenses, which could impact our financial results. Given the nature of our business, we do not generate significant emissions or waste, nor do we cause severe pollution. Nonetheless, we monitor environmental and climate-related risks that may affect our business, strategy, and financial performance, and we assess the potential short-, medium-, and long-term impacts.

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We track a broad range of indicators to manage the environmental and climate-related risks arising from our operations, and we are committed to providing adequate support to our employees to foster a positive and inspiring corporate culture. This commitment may result in substantial additional costs and could affect our profitability. For more details, please refer to “Business – Environmental, Social, and Governance”.

Furthermore, the increasingly stringent ESG-related regulatory requirements, including various ESG disclosure obligations in the jurisdictions in which we operate, may result in higher compliance costs, and our cost of sales may also increase accordingly. Failure to adapt to new regulations or to meet evolving industry expectations and standards may cause customers to switch to competing products offered by other companies, which could, in turn, have a material adverse effect on our operating results and financial condition.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If our trademarks and trade names do not receive adequate protection, we may not be able to establish our reputation in the targeted markets; or if we are unable to protect the confidentiality of our trade secrets and other confidential information (including the non-patented proprietary technology we rely on), our business and competitive position will be impaired; or if we are unable to protect our other intellectual property rights, our business, financial condition and results of operations may be materially and adversely affected.

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 manufacturing processes 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 unauthorised 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 personnel.

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We may be exposed to risks of infringement in relations to our intellectual property rights and we may be exposed to infringement or misappropriate claims by third parties.

The success of our business depends on our ability to protect our intellectual property rights, technologies, know-how, and brands. As of the Latest Practicable Date, we have 49 granted patents, 7 registered trademarks and 1 domain name in PRC and overseas, and 14 software copyrights in PRC, which we consider are material to our business. For our portfolio of material intellectual property rights as of the Latest Practicable Date, see “Appendix V – Statutory and General Information – 2. Further Information about our Business – B. Intellectual Property Rights”. We rely on patent laws, proprietary technology, and contractual restrictions to protect our intellectual property. However, we cannot assure you that these measures are sufficient to prevent infringement by third parties. If we fail to protect our intellectual property and other proprietary rights, our competitive position may be weakened.

We also cannot assure you that our products will not infringe any third party’s intellectual property rights, or that third parties will not assert intellectual property claims against us. Our business involves producing customised products in accordance with customer specifications, and we cannot assure you that all such specifications do not infringe third parties’ intellectual property rights. The validity and scope of any intellectual property claims often involve complex factual and legal issues, and the outcomes are uncertain. Defending against such claims or related legal and administrative proceedings can be costly and time-consuming, and may significantly divert the efforts and resources of our management. If our products are proved to have infringed any third-party intellectual property rights, we may be required to compensate the rights holder or pay fines. Any such claims in the future could materially and adversely affect our business.

Confidentiality agreements and non-compete undertakings entered into with our employees and other third parties may not be sufficient to prevent the disclosure of proprietary information.

We have invested substantial resources in developing our technologies and know-how. However, we cannot assure that such agreements will not be breached, that we will be able to obtain adequate remedies for any such breach in a timely manner or at all, or that our proprietary technologies, know-how, or other intellectual property will not otherwise be obtained by third parties.

Similarly, if any of our employees breach confidentiality or non-compete obligations owed to their former employers, we may be subject to claims alleging that such employees have improperly used or disclosed trade secrets or other proprietary information for our benefit. In addition, third parties may independently discover our trade secrets and proprietary information, thereby limiting our ability to assert proprietary rights against them.

The enforcement of our proprietary rights and the determination of their scope may require costly and time-consuming litigation. Any failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Failure to renew the “[REDACTED]” trademark license or establish a proprietary brand may materially adversely affect our business overseas.

During the Track Record Period, we entered into a trademark license agreement with an Italian licensor, pursuant to which we are authorised to use the “[REDACTED]” trademark on certain products sold to certain overseas countries and regions, such as Italy, including banking and postal professional equipment (PR2/PR4 printers, MB-2 multifunction peripherals, and [REDACTED] scanners) and their core functional modules. As of the Latest Practicable Date, the trademark license agreement with the Italian licensor, under which the Company is entitled to use the “[REDACTED]” trademark until March 15, 2027.

RISK FACTORS

If the aforementioned trademark license agreement is not successfully renewed upon expiration, and we fail to successfully register and establish our own trademark in Italy, this may have a material adverse effect on our business operations, financial performance, and financial condition, including but not limited to the following:

- (i) we will lose the right to use the “[REDACTED]” trademark on the relevant products sold in Italy. Given the established market recognition and brand influence of this trademark in the banking and postal professional equipment sector, the discontinuation of its use may weaken the competitiveness of our products, reduce customer recognition, and adversely affect our ability to secure orders and generate revenue.
- (ii) we may be required to implement a brand transition for our existing products within a relatively short period, including replacing product labels, packaging, manuals, and related marketing materials, and may also need to address inventory disposal and channel adjustments. Such a transition could increase operating costs and cause temporary disruptions to the supply chain and sales activities, thereby affecting our operational efficiency.
- (iii) If we fail to establish and promote our own brand in a timely manner, we may face greater challenges in marketing and customer retention. Building a new brand typically requires a prolonged period and sustained investment to gain market acceptance, and the associated increase in marketing expenses may adversely affect our profitability.

In addition, certain customers may adopt a cautious approach toward changes in branding due to their reliance on the “[REDACTED]” brand or contractual arrangements, and may reassess their business relationships with us, which could result in customer attrition or a reduction in orders.

Therefore, if we are unable to renew the relevant trademark license and fails to establish a viable alternative proprietary brand, our brand image, market position, operating results, and ability to continue as a going concern may be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Our expansion into international markets may not be successful.

Overseas markets represent a critical growth driver for us, as the domestic market is saturated and the traditional hardware segment is shrinking. We currently operate in over 54 countries and regions globally and hold a leading position in certain niche segments, such as specialised printing equipment for postal services in parts of Europe, where our products are valued for their reliability. However, overseas business expansion and operations are confronted with multiple complex and interrelated challenges that increase operational uncertainty. Geopolitical conflicts such as the ongoing Russia-Ukraine conflict, lingering tensions in the Middle East, and regional trade frictions can lead to sudden business interruptions, supply chain disruptions (including delayed component shipments, increased logistics costs, and import restrictions), and restrictions on personnel mobility. These issues directly hinder our ability to provide on-site technical support, fulfil customer orders on time, and maintain long-term customer relationships.

In some Western markets, we also face inherent biases against “Made in China” products, with customers holding preconceptions about product quality, reliability, and after-sales support, which increases the cost and difficulty of market penetration. Additionally, political or regulatory-driven market access barriers, such as strict local certification requirements, punitive trade tariffs, and import quotas, further impede our expansion. Exchange rate fluctuations of major currencies, including the US dollar, euro, and British pound, directly affect the Renminbi-denominated value of our overseas revenue and profits. While we may use foreign exchange derivatives and other hedging tools to mitigate such risks,

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these measures cannot completely eliminate the impact of adverse exchange rate movements, especially during periods of high volatility. In emerging markets such as India, Africa, and Southeast Asia, we face fierce price competition from low-cost domestic brands and local assemblers that leverage lower labour and logistics costs, which compresses our profit margins and slows our market expansion speed.

We are subject to the currency exchange control system.

The conversion of RMB 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 control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present 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 [REDACTED], 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 obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalise our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

We may be subject to fines and penalties as a result of our inadequate contribution to the social insurance and housing provident fund.

During the Track Record Period, we failed to make full contributions to the social insurance and housing provident fund for some of our employees as required by relevant PRC laws and regulations.

As advised by our PRC Legal Advisers, under relevant PRC laws and regulations: (i) if we fail to pay the full amount of social insurance contributions as required, the relevant PRC authorities may demand us to pay the outstanding contributions within a stipulated deadline and impose a late payment fee of 0.05% of the outstanding amount per day. If we fail to make such payments within the deadline, we may also be liable to a fine of one to three times the outstanding amount; and (ii) in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding amount within a prescribed time period, and if we fail to do so, an application may be made to PRC courts for compulsory enforcement. We cannot assure you that the competent local government authorities will not require us to pay the outstanding amounts within a specified deadline or impose late payment fees, which may materially and adversely affect our financial condition and results of operations.

Our failure to register certain lease agreements in the PRC may subject us to administrative penalties and other regulatory consequences.

As of the Latest Practicable Date, certain lease agreements for properties we leased for office and dormitory purpose in the PRC have not completed lease registration with relevant regulatory authorities. Non-registration of lease agreements does not affect the validity of such lease agreements. However, pursuant to the requirements of the Administrative Measures for Commodity House Leasing and relevant local rules, the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and if we fail to so rectify, we may be subject to a fine of between RMB1,000 and RMB10,000 for each of these leasing properties. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of lease agreements. However, we cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfil the registration requirements, which may increase our cost, in the future.

RISK FACTORS

Negative publicity or damage to our business reputation may have a potential adverse impact on our business.

We value and rely on our reputation to maintain and expand our business. Any negative publicity associated with us could result in loss of business. We conduct business with various counterparties, including customers, suppliers, and distributors. If any of these counterparties are dissatisfied with us and raise public complaints (whether justified or not), our business, brand, and reputation may be adversely affected, which will in turn harm our results of operations and growth prospects.

Changes in economic, political and social conditions could have a material adverse effect on our business and operations.

We are headquartered in Chinese Mainland, our operations are conducted both in Chinese Mainland and overseas. Accordingly, our business, financial condition, and results of operations may be influenced by economic, political, and social conditions both in Chinese Mainland and overseas, which in turn are affected by the global economy. Uncertainties in the global economy and political environment may also impact the economy of both Chinese Mainland and overseas. We cannot predict all the risks we may face as a result of the current economic and political environment and regulatory developments. These factors may be beyond our control and could have a material adverse effect on our business, operations, and financial results.

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

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 realised 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 from dividends and bonuses derived in China under the Individual Income Tax Law of the PRC (the “**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. 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 realised upon the sale or other disposition of H shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, no aforesaid provisions had 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, the PRC tax authorities may 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 China, and for those that have establishments or premises in China 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 realised by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a rate of 10%. 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, 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.

RISK FACTORS

There might be uncertainties in effecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a company incorporated under the laws of the People’s Republic of China, and the vast majority of our assets and subsidiaries are currently located in China. Substantially all of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may be difficult or impossible for you to effect service of process upon us or these individuals, or to bring an action against us or against these individuals in the event that you believe your rights have been infringed under the applicable securities laws or otherwise.

On January 14, 2019, the Supreme People’s Court of the PRC and the government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (the “**2019 Arrangement**”), which took effect on January 29, 2024. The 2019 Arrangement seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Chinese Mainland and Hong Kong, based on criteria other than a written bilateral choice of court agreement. Under the 2019 Arrangement, any party concerned may apply to the relevant PRC or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases, subject to the conditions set forth in the 2019 Arrangement. However, we cannot assure you that all final judgments will be recognised and effectively enforced by the relevant Chinese Mainland and Hong Kong court.

RISKS RELATING TO OUR FINANCIAL CONDITION

We cannot guarantee that all customers will settle the remaining balance on schedule.

We typically allow certain customers to settle a portion of the purchase price after the shipment, installation and acceptance of our equipment. We may grant credit terms to distributors on a case-by-case basis. As of December 31, 2024 and 2025, our trade and bills receivables were RMB23.8 million and RMB18.1 million, respectively. In 2024 and 2025, our average trade and bills receivables turnover days were 56.0 days and 60.7 days, respectively. Any fluctuations and extension of trade and bills receivables turnover may adversely affect our cash flow and liquidity.

We cannot assure you that all customers will make timely payments of the remaining balances. Customers’ ability and willingness to settle outstanding amounts may be affected by factors beyond our control, including their operating performance, financial condition, funding arrangements or business priorities. If certain customers fail to pay the remaining balances as agreed, we may be required to repossess the relevant equipment pursuant to the applicable contractual arrangements. However, such equipment may have a lower recoverable value than its original cost or carrying value due to customisation, technological obsolescence, depreciation, transportation and refurbishment costs or limited resale opportunities. As a result, we may incur losses, write-downs of receivables or additional costs associated with repossession and remarketing of equipment, which could adversely affect our financial condition, liquidity and results of operations.

Failure to fulfil contracts with customer advances could adversely affect our liquidity and financial condition.

Our contract liabilities primarily arise from prepayments from short-term advances received from customers before we fulfil our performance obligations. Our contract liabilities were RMB1.2 million and RMB3.2 million as of December 31, 2024 and 2025, respectively. We cannot assure you that we will be able to fulfil our obligations in respect of contract liabilities in a timely manner or at all. Our ability to fulfil such obligations may be affected by various factors, including the market demand, the stability of supply and price of raw materials, the quality and price of service provided by suppliers and outsourced manufacturers, and their production capacity. If we fail to fulfil such obligations, the relevant contract liabilities will not be recognised as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected.

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Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the jurisdictions where we operate.

Under the laws and regulations in the countries and regions where we operate, arrangements and transactions among intergroup companies may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, we carried out our operations mainly in the PRC, Hong Kong and Italy. We follow the fundamental principle that intercompany transactions must be conducted on an arm’s length basis, and our transfer pricing adviser reviewed our intercompany transactions. Based on such review, the transfer pricing adviser estimated the potential transfer pricing exposure during the Track Record Period. We consider the transfer pricing risks are manageable and would not have a material adverse impact on our financial condition or results of operations. For details, please see “Financial Information – Transfer Pricing Arrangements.”

Nevertheless, we could face adverse tax consequences if the relevant tax authorities determine that certain intercompany transactions of ours do not represent arm’s length arrangements and consequently adjust the taxable income of the relevant Group entities in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to settle any additional tax liabilities within the timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest, surcharges or other penalties on us. Our business, financial condition and results of operations may therefore be adversely affected.

RISKS RELATING TO THE [REDACTED] AND OUR SHARES

There has been no prior public market for our Shares and an active trading market for our Shares may not develop or be sustained.

Prior to the [REDACTED], no public market for our Shares existed. Following completion of the [REDACTED], the Stock Exchange will be the only market on which our Shares are publicly [REDACTED]. There is no assurance that an active [REDACTED] for our Shares will develop or be sustained after the [REDACTED]. In addition, there is no assurance that our Shares will [REDACTED] in the public market at or above the [REDACTED] subsequent to the [REDACTED]. The [REDACTED] for our Shares is expected to be fixed by the [REDACTED] and us, and may not be indicative of the market price of our Shares following completion of the [REDACTED]. If an active trading market for our Shares does not develop or is not sustained after the [REDACTED], the market price and liquidity of our Shares may be materially and adversely affected.

The [REDACTED] and volume of our Shares may be volatile, which may result in substantial losses for our [REDACTED].

The [REDACTED] of our Shares may be volatile and may fluctuate widely in response to factors beyond our control, including variations in the level of liquidity of our Shares, changes in securities analysts’ (if any) estimates of our financial performance, [REDACTED] perceptions of us and the general [REDACTED] environment, changes in laws, regulations and taxation systems which affect our operations, and general market conditions of the securities markets. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the [REDACTED] and [REDACTED] volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies, involvement in material litigation as well as recruitment or departure of our key personnel, may cause the [REDACTED] and volume of our Shares to change drastically and unexpectedly.

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Further, there will be a gap of several days between the [REDACTED] and commencement of [REDACTED] of the [REDACTED]. The [REDACTED] of our Shares is expected to be determined on the [REDACTED] while our Shares will not commence trading on the Stock Exchange until the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise deal in our Shares during the period between the [REDACTED] and the [REDACTED] and hence are subject to the risk that the price of our [REDACTED] could fall during the period before [REDACTED] of our [REDACTED] begins.

Future disposal or perceived disposal of a substantial number of our Shares by our existing Shareholders in the public market may materially and adversely affect the prevailing [REDACTED] of our Shares.

Disposal of a substantial number of our Shares in the public market after the completion of the [REDACTED], or the perception that such disposal may occur, could adversely affect the market price of our Shares and materially impair our future ability to raise capital through [REDACTED] of our Shares. There is no assurance that our existing Shareholders will not dispose of their shareholdings. Any significant disposal of our Shares by any existing Shareholder may materially affect the prevailing market price of our Shares. In addition, these disposals may make it more difficult for us to issue new Shares in the future at a time and price we deem appropriate, thereby limiting our ability to raise further capital. We cannot predict the effect of any significant future disposal on the market price of our Shares.

Additional equity fund raising may lead to dilution of Shareholders’ interests and decrease in the market price of our Shares.

We may need to raise additional funds in the future to finance our operation or business expansion or new development. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the shareholding of the existing Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by the [REDACTED]. Furthermore, our Company may issue additional Shares upon exercise of options to be granted under the [REDACTED] in the future. The increase in the number of Shares after the issue would result in the reduction in the percentage ownership of our Shareholders and may result in a dilution in the earnings per Share and net asset value per Share.

Furthermore, if we fail to utilise the additional funds to generate the expected earnings, it could adversely affect our financial results and in turn exerts pressure to the market price of our Shares. Even if additional funds are raised by means of debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters.

There is no assurance that we will declare or distribute any dividend in the future.

During the Track Record Period, our Group declared dividends of RMB6.0 million and RMB6.7 million for the years ended December 31, 2024 and 2025, respectively, to our then shareholders. The dividends declared on June 27, 2024 and June 30, 2025 were settled in full.

The value of dividends declared and paid in previous years should not be relied on by [REDACTED] as a guide to the future dividend policy of our Group or as a reference or basis to determine the amount of dividends payable in the future. There is no assurance that dividends will be declared or paid in the future, at a similar level or at all. We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under PRC laws and regulations, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. It is also subject to the approval of our Shareholders, the Companies Act, the Articles of Association as well as any applicable laws.

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The interests of our Controlling Shareholders may differ from those of our other Shareholders.

Immediately following the [REDACTED], our Controlling Shareholders will beneficially own 35.96% of the issued Shares (without taking into account any Shares which may be [REDACTED] and [REDACTED] upon the exercise of the [REDACTED]). The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of our other Shareholders, or if our Controlling Shareholders choose to cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, those Shareholders may be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue.

Our Controlling Shareholders may have significant influence in determining the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations and the sale of all, or substantially all, of our assets, election of Directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider our interests or the interests of our other Shareholders.

No representation is given as to the accuracy of the information from official government sources.

The information and statistics set out in the section headed “Industry Overview” and other sections of this document were extracted from the Industry Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications. We engaged Frost & Sullivan to prepare the Industry Report, being an independent industry report, in connection with the [REDACTED]. However, the information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

Our Group’s future results could differ materially from those expressed or implied by the forward-looking statements.

Included in this document are various forward-looking statements that are based on various assumptions. Our Group’s future results could differ materially from those expressed or implied by such forward-looking statements. For details of these statements and the associated risks, please refer to the section headed “Forward-looking Statements” in this document. [REDACTED] should read this entire document carefully and we strongly caution you not to place any reliance on any information (if any) contained in press articles or other media regarding us and the [REDACTED] including, in particular, any financial projections, valuations or other forward-looking statements.

Prior to the publication of this document, there may be press or other media which contains information referring to us and the [REDACTED] that is not set out in this document. We wish to emphasise to [REDACTED] that neither we nor any of the Sole Sponsor, [REDACTED], [REDACTED], [REDACTED] and the [REDACTED], or the directors, officers, employees, advisers, agents or representatives of any of them, or any other parties (collectively, the “Professional Parties”) involved in the [REDACTED] has authorised the disclosure of such information in any press or media, and neither the press reports, any future press reports nor any repetition, elaboration or derivative work were prepared by, sourced from, or authorised by us or any of the Professional Parties. Neither we nor any Professional Parties accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is not contained in this document or is inconsistent or conflicts with the information contained in this document, we disclaim any responsibility and liability whatsoever in connection therewith or resulting therefrom. Accordingly, [REDACTED] should not rely on any such information in making your decision as to whether to [REDACTED] in the [REDACTED]. You should rely only on the information contained in this document.

RISK FACTORS

You should read the entire document and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the [REDACTED].

There may be press and media coverage regarding us or the [REDACTED], which may include certain events, financial information, financial projections and other information about us and the [REDACTED]. We have not authorised the disclosure of any such information in the press or other media and do not accept responsibility for the accuracy and completeness of such press and media coverage and we make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this document is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for them. Accordingly, [REDACTED] should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the information included in this document in making your [REDACTED] regarding our Shares. By applying to purchase our Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than those contained in this document.

WAIVER FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

In preparation for the [REDACTED], we have sought the following waiver from strict compliance with the relevant provisions of the GEM Listing Rules:

JOINT COMPANY SECRETARIES

Rule 11.07(2) of the GEM Listing Rules provides that an issuer must appoint a company secretary who satisfies Rule 5.14 of the GEM Listing Rules. Rule 5.14 of the GEM Listing Rules provides that an issuer must appoint as its company secretary 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. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In assessing “relevant experience”, the Stock Exchange will consider the individual’s: (i) length of employment with the issuer and other listed companies and the roles he or she played; (ii) familiarity with the GEM Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (WUMP) Ordinance and the Takeovers Code; (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 5.15 of the GEM Listing Rules; and (iv) professional qualifications in other jurisdictions.

We have appointed Ms. Zhao Hui (趙慧) and Mr. So Wing Chun (蘇永俊), as joint company secretaries to jointly discharge the duties and responsibilities as our joint company secretaries with reference to their past experience, qualifications and working experience.

Ms. Zhao Hui joined our Company in August 2015 and has gained a good understanding of the internal administration and business operation of our Company. By virtue of Ms. Zhao Hui’s past work experience and understanding of our Company, our Company believes that Ms. Zhao Hui is capable of discharging her duties as a joint company secretary of our Company and is a suitable person to act as a joint company secretary of our Company.

However, Ms. Zhao Hui does not possess full qualifications as required under Rule 5.14 of the GEM Listing Rules. As such, we have appointed Mr. So Wing Chun as one of our joint company secretaries and to provide joint company secretary support and assistance to Ms. Zhao Hui to enable Ms. Zhao Hui to acquire the relevant experience as required under Rule 5.14 of the GEM Listing Rules and to duly discharge the functions of a company secretary. Ms. Zhao Hui will be assisted and will enjoy the resources and expertise of Mr. So Wing Chun as a joint company secretary.

Mr. So Wing Chun, being an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom, satisfies the requirements under Rules 5.14 and 11.07(2) of the GEM Listing Rules. Further biographical details of Mr. So Wing Chun are set out in “Directors, Supervisors and Senior Management” in this document.

WAIVER FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

Therefore, we have applied for, and the Stock Exchange has [granted], a waiver from strict compliance with the requirements of Rules 5.14 and 11.07(2) of the GEM Listing Rules and the following arrangements have been made to satisfy those requirements:

- (a) we will continue to engage Mr. So Wing Chun as a joint company secretary for a minimum period of three years commencing from the [REDACTED]. We believe that Ms. Zhao Hui will acquire the relevant qualifications or experience required under Rules 5.14 and 11.07(2) of the GEM Listing Rules to act as our secretary with the guidance and assistance of Mr. So Wing Chun. During engagement period of Mr. So Wing Chun, he will work closely with Ms. Zhao Hui and ensure that Mr. So Wing Chun will be available at all times to provide assistance to Ms. Zhao Hui for discharging her duties as a company secretary, including but not limited to communicating regularly with Ms. Zhao Hui on matters relating to corporate governance, the GEM Listing Rules, as well as the applicable Hong Kong laws and regulations which are relevant to us. We will further ensure that Ms. Zhao Hui will receive the relevant trainings and support to enable Ms. Zhao Hui to be familiar with the GEM Listing Rules and the responsibilities of a company secretary as required under the GEM Listing Rules;
- (b) pursuant to Rule 5.15 of the GEM Listing Rules, each of Ms. Zhao Hui and Mr. So Wing Chun will attend in each financial year no less than 15 hours of relevant professional training courses to familiarise themselves with the requirements of the GEM Listing Rules and other Hong Kong regulatory requirements;
- (c) we will also appoint Eddid Capital Limited as compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules, which will act as our additional channel of communication with the Stock Exchange, and provide professional guidance and advice to us and our joint company secretaries as to compliance with the GEM Listing Rules and all other applicable laws and regulations;
- (d) before expiry of the three-year period, we will re-evaluate Ms. Zhao Hui's experience in order to determine whether she satisfies the requirements as stipulated under Rules 5.14 and 11.07(2) of the GEM Listing Rules;
- (e) if Mr. So Wing Chun ceases to provide assistance to Ms. Zhao Hui, the waiver will be revoked by the Stock Exchange with immediate effect;
- (f) before the end of the three-year period as mentioned above, we shall demonstrate and seek the confirmation from the Stock Exchange that Ms. Zhao Hui, having had the benefit of the assistance of Mr. So Wing Chun for three years, would have acquired the relevant experience within the meaning of Rule 5.14 of the GEM Listing Rules so that a further waiver would not be necessary; and
- (g) the waiver will be revoked if there are material breaches of the GEM Listing Rules by our Company.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
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Ms. Zhao Hui (趙慧)	Room 2802, Block 8 Qianshuiwan No. 61, Gaoxin Nanhuan Road Nanshan District Shenzhen PRC	Chinese
Ms. Chen Deying (陳德英)	Room 1001, Building 7 Yinhai City Garden No. 395, Beijing Road Panlong District Kunming Yunnan Province PRC	Chinese
<i>Non-executive Directors</i>		
Mr. Zhang Peng (張鵬)	Room 2702, Unit 1, Building 6, Zone A Tongde Kunming Plaza No. 167, Zhiqiang Road Panlong District Kunming Yunnan Province PRC	Chinese
Ms. Gao Huanming (高煥明)	No. 81, Junlan Avenue Junlan Golf Living Village Beijiao Town Shunde District Foshan Guangdong Province PRC	Chinese
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Ms. Wong Yee Shuen Regina (王綺鏞)	Flat E, 11/F Tower 3 88 Yeung Uk Road Tsuen Wan New Territories Hong Kong	Chinese (Hong Kong)
Ms. Wu Ying (吳櫻)	Room 701, No. 14 Lane 1300, Sanlin Road Pudong New Area Shanghai PRC	Chinese

For further information regarding our Directors, see “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

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CORPORATE INFORMATION

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**Place of business in Hong Kong registered
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*(information contained in this website does not form
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Mr. Li Siu Bun (李兆彬) (*Chairman*)
Ms. Wong Yee Shuen Regina (王綺璇)
Ms. Wu Ying (吳櫻)

CORPORATE INFORMATION

Remuneration Committee

Ms. Wu Ying (吳櫻) (*Chairman*)
Mr. Li Siu Bun (李兆彬)
Ms. Zhaohui (趙慧)

Nomination Committee

Ms. Wong Yee Shuen Regina (王綺鏞) (*Chairman*)
Ms. Wu Ying (吳櫻)
Mr. Zheng Xiaohui (鄭曉暉)

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Nanshan District
Shenzhen
Guangdong Province
PRC

INDUSTRY OVERVIEW

OVERVIEW OF GLOBAL SMART BRANCH SOLUTION MARKET

Definition of Smart Branch Solutions

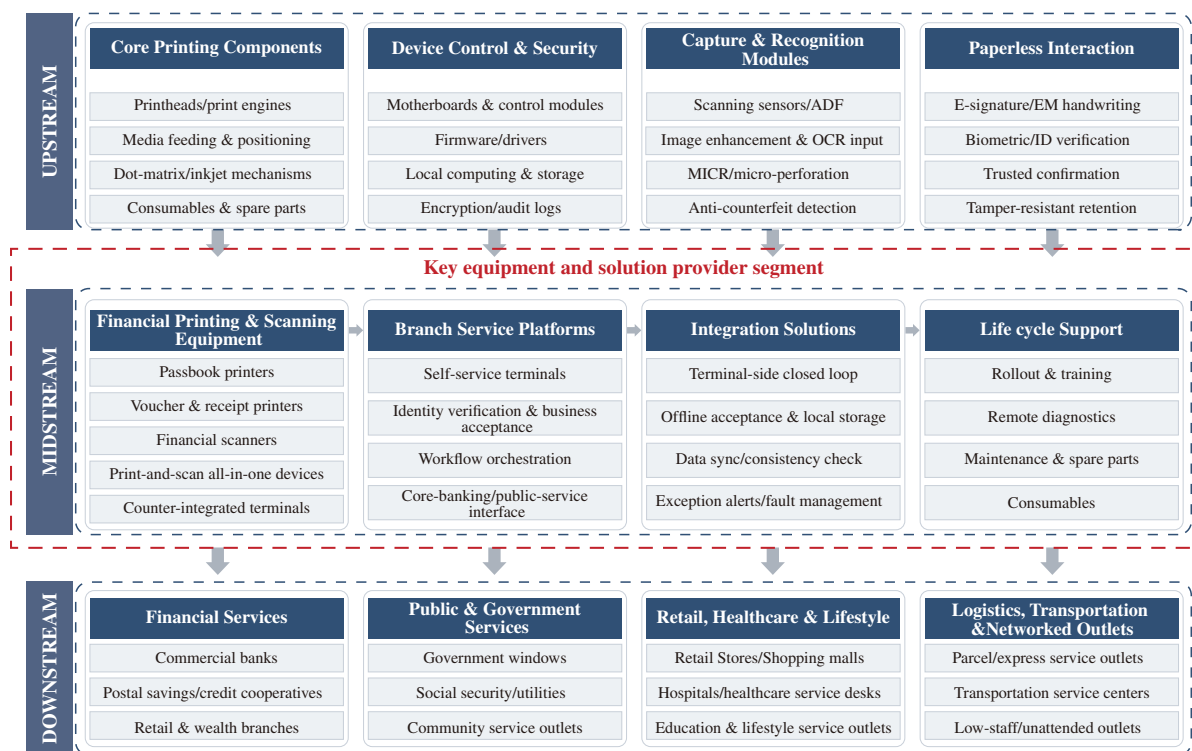
Smart branch solutions link online engagement with offline service fulfilment into a traceable, optimisable end-to-end service chain, comprising three pillars: intelligent terminals (passbook printers, print-and-scan all-in-one devices), branch service platforms (self-service terminals) and operational support. They raise efficiency and experience consistency while cutting multi-branch management costs.

Smart branch development has shifted from stacking standalone devices toward end-to-end coordination across terminals and channels. Counter-side equipment centred on dot matrix printers and print-and-scan all-in-one devices is becoming a critical interface between digital workflows and physical handling, as branches widen into public, community and logistics services.

Industry Chain Map of Smart Branch Solutions

The smart branch solutions industry chain consists primarily of upstream core components and technology modules, midstream terminal equipment and system integration, and downstream application scenarios. Upstream covers key capabilities such as printing components, scanning and recognition modules, device control and security, e-signature and identity verification. Midstream focuses on financial printing and scanning equipment, self-service terminals, branch service platforms, workflow orchestration, data synchronisation and life cycle support. Downstream applications extend across banking, government and community services, transportation and logistics, retail, healthcare, and low-staff or unattended service outlets, supporting the digital, self-service and traceable upgrade of offline service nodes. In particular, midstream providers of financial printing and scanning equipment and branch service platforms serve as the key bridge between upstream components and downstream service outlets.

Global Smart Branch Solutions Industry Chain Map



Source: Frost & Sullivan Report

Key Development Trends in Smart Branch Solutions

Trend 1: Originating in and spilling over from financial services to form a cross-industry branch paradigm. Financial services’ high-frequency interaction, standardised processes and stringent compliance demand very reliable counter-side terminals, built on multipart dot matrix printing stability, high-speed scanning, MICR reading in cheque modules and media protection in passbook printing, capabilities that have spilled over into government, retail, transportation and community services.

INDUSTRY OVERVIEW

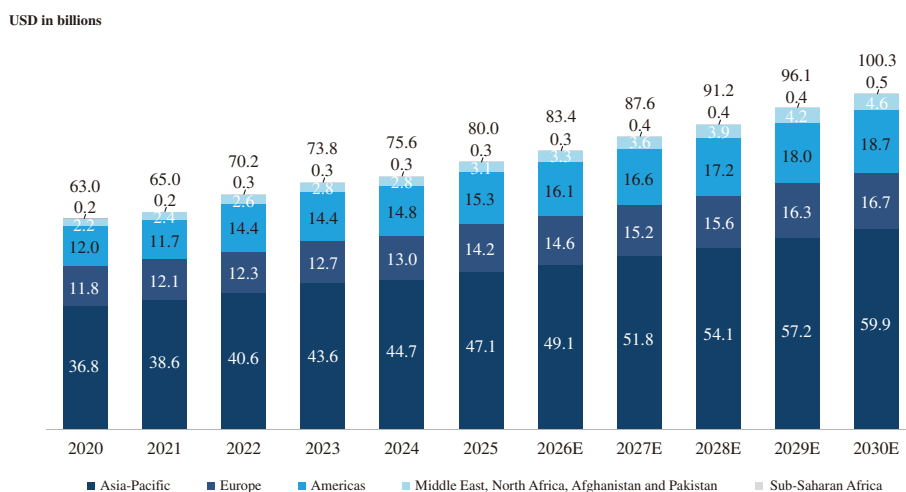
Trend 2: Transition from staffed service toward self-service and unattended formats, with operating goals focused on efficiency and service consistency. Branch operations are shifting toward self-service and remote collaboration, driven by cost, efficiency and rising expectations for consistent service. Standardised terminals handle identity verification, voucher output and material capture; embedded dot matrix printers and all-in-one devices reliably produce receipts and vouchers, overcoming self-service devices’ limits with multipart documents. As low-staff branches spread, metrics shift from equipment uptime toward processing efficiency, OCR error rates and replicability.

Trend 3: Widening regional divergence, requiring transitional solutions that connect traditional and next-generation branches. Markets differ markedly in branch infrastructure, customer behaviour and digital maturity: advanced markets favour incremental, compatible upgrades, while those with weaker coverage and IT capabilities prefer plug-and-play integrated terminals. The key is clear, executable transition paths for markets of varying maturity to upgrade under controllable risk.

Market Size of Global Smart Branch Solutions

The global smart branch solutions market reached approximately US\$80.0 billion in 2025 and is expected to reach approximately US\$100.3 billion by 2030, a CAGR of approximately 4.6% from 2025 to 2030. It is transitioning from rapid build-out to stable penetration, with growth shifting from new branches toward replacement and upgrading of the installed base; before 2025 growth came mainly from deployment and pilot expansion, at a CAGR of approximately 4.9% from 2020 to 2025, with scaled deployment expected before 2026 and momentum shifting from 2027 toward replacement demand and capability upgrades.

Global Smart Branch Solutions Market Size, by Revenue (2020-2030 Forecast)



Source: Frost & Sullivan Report

OVERVIEW OF THE GLOBAL MISSION-CRITICAL SMART BRANCH SOLUTION MARKET

Definition and Characteristics of Mission-Critical Smart Branch Solutions

Mission-critical smart branches target finance, government services and transportation, ensuring business continuity and meeting data-security and compliance needs. They use distributed edge architectures and embedded security, with terminal-side computing and local storage keeping transactions acceptable and data recoverable under poor connectivity or outages; delivery spans industrial-grade hardware, business systems and maintenance systems.

The industry features high reliability requirements, high replacement costs and strong customer stickiness. Interruptions create operational and compliance risks, so customers emphasise stability and recoverability; once deployed at scale, replacement means reconfiguring processes, interfaces and maintenance systems at high migration cost and lengthy validation. Supplier relationships are therefore more stable, and commercial value covers the full equipment life cycle, generating recurring demand for services and consumables.

INDUSTRY OVERVIEW

Market Size of Global Mission-Critical Smart Branch Solutions

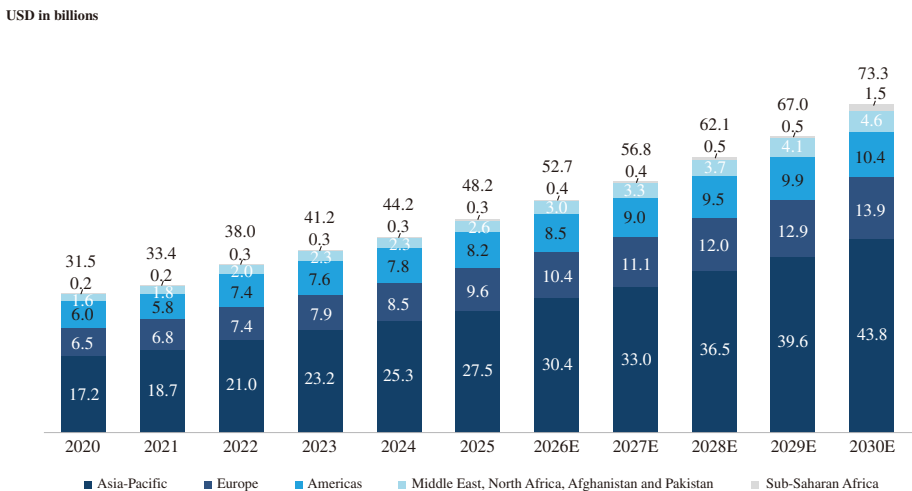
In revenue terms, the global mission-critical smart branch solutions market reached approximately US\$48.2 billion in 2025 and is expected to reach approximately US\$73.3 billion by 2030, a CAGR of approximately 8.8% from 2025 to 2030, driven mainly by system-wide transformation on higher reliability standards, which broadens application scope while raising average construction expenditure per branch.

Asia-Pacific has been the principal source of global incremental demand since 2025, at approximately US\$27.5 billion in 2025, a CAGR of approximately 9.7% from 2025 to 2030 and an expected share of approximately 59.8% by 2030, reflecting a large branch base, policy requirements and concentrated upgrade demand; application scenarios are extending from commercial banking into public services such as government and transportation.

Europe and the Americas record steady growth from hardware and software replacement and subsequent maintenance. In 2025 they were approximately US\$9.6 billion and US\$8.2 billion respectively, together approximately 36.9% of the global market, with an expected CAGR of approximately 6.7% from 2025 to 2030; as their branch systems are mature, expenditure focuses on terminal renewal, data-security compliance and maintenance upgrades.

The Middle East, Africa and other regions combine initial infrastructure rollout and existing-branch upgrading. In 2025 the Middle East, North Africa and Pakistan was approximately US\$2.6 billion and Sub-Saharan Africa approximately US\$0.3 billion; from 2026 growth accelerates, a CAGR of approximately 11.4% from 2025 to 2030, driven by rising digital investment by financial and public-service institutions and centralised procurement, with strict physical and data-security standards lifting demand for mission-critical hardware and software.

Global Mission-Critical Branch Solutions Market Size, by Revenue (2020–2030 Forecast)



Source: Frost & Sullivan Report

Competitive Landscape of Global Mission-Critical Printing and Scanning Equipment by Installed Base

Based on cumulative shipments from 2016 to 2025, Pu Ying Innovation’s historical installed base of mission-critical printing and scanning equipment reached 748,518 units, approximately 4.9% of the relevant global installed base and ranking first in the industry. A larger installed base and broader end-customer coverage support replacement demand, consumables replenishment and maintenance renewals, forming a core operating foundation in the existing market.

The global mission-critical printing and scanning equipment market is led by a small group of established players: on cumulative shipments from 2016 to 2025, the top five accounted for approximately 19.2% in aggregate. Although concentration remains low and many regional small and medium-sized participants are active, share is gravitating toward leading manufacturers with stronger brands and deeper technical capabilities, as the segment demands high reliability, large-scale delivery, global distribution and service networks and full-life-cycle support.

INDUSTRY OVERVIEW

Competitive Landscape of Global Mission-Critical Printing and Scanning Equipment by Cumulative Installed Base (2016–2025)

Rank	Company	Cumulative Installed Base	Installed Base Share (%)
1	Pu Ying Innovation	748,518	4.9%
2	Company B	725,717	4.7%
3	Company C	696,456	4.5%
4	Company D	416,932	2.7%
5	Company E	372,711	2.4%
.....			
Combined Share of Top Five Players			19.2%

Source: Frost & Sullivan Report

Notes:

- 1) Company B: Nagano Prefecture, Japan; founded 1942. Dot matrix and inkjet printers and professional-grade scanning peripherals; a leading global supplier of precision image processing equipment.
- 2) Company C: Tokyo, Japan; founded 1936. Office printing terminals, professional high-speed document scanners (PFU series) and digital workflow solutions.
- 3) Company D: Nagoya, Japan; founded 1908. Laser printers, multi-function all-in-one machines and professional scanning equipment for government and enterprise markets.
- 4) Company E: Tokyo, Japan; founded 1934. Healthcare, high-performance materials, imaging systems and office digitalisation.

Key Technology System and Future Evolution of Mission-Critical Smart Branch Solutions

Current stage: baseline capabilities centred on business continuity are becoming clearer

The technology architecture of mission-critical smart branches is built on business continuity and compliance traceability, keeping core service links acceptable, traceable and recoverable under extreme conditions such as poor connectivity, network interruption or power outage, through terminal-side localisation and security audit mechanisms.

At the continuity level: building terminal-side closed-loop capability. Mission-critical solutions deploy independent computing and storage on intelligent terminals, giving branches self-operating capability when disconnected, across key service-processing stages:

- Identity verification and business acceptance: terminals locally store blacklists, whitelists, keys and basic rules, enabling authentication and preliminary business determination offline.
- Material capture and encrypted temporary storage: images, vouchers and transaction data are encrypted in a local secure store, so the bill and material handling chain keeps operating without a network; reliable printing and scanning modules ensure stable output and clear capture for later review and OCR recognition.
- Exception identification and handling: terminals perform local fault self-checking and alerts, prompting timely intervention when paper runs out, jams occur or images are abnormal, avoiding service backlog.

At the recovery and traceability level: achieving data consistency and full-process auditing. Once connectivity returns, the system verifies data consistency and synchronises the data back; stored transaction data is uploaded per predetermined strategies and compared against central logs for end-to-end integrity and tamper resistance. Outage records carry timestamps and device identifiers, forming a traceable audit trail meeting regulators’ record-keeping requirements.

In high-frequency transactions, the bill and material handling chain is the key bottleneck for throughput and manual intervention. Printing stability, scanning image quality and exception identification form the hardware foundation of mission-critical branches and remain central to baseline capability.

INDUSTRY OVERVIEW

Future direction: from reliable delivery toward low-cost replication, intelligent operations and verifiable paperless workflows

Future technology evolution centres on four deterministic demands. First, energy efficiency and life-cycle cost: iteration targets energy per transaction, consumables efficiency and maintenance cost through structural design, longer component life and broader remote maintenance. Second, highly integrated terminals and intelligent operations: a terminal-side closed loop spans identity verification, material capture and processing, voucher handling and workflow orchestration, with predictive maintenance cutting labour dependence in unattended branches. Third, trusted interaction and paperless workflows: a verifiable evidence chain uses digital identity authentication, electronic signature, encryption and tamper-resistant retention to lower paper costs while keeping materials traceable. Fourth, low-threshold delivery for inclusive finance: county, township and community scenarios need faster deployment, lower thresholds and better maintainability, favouring integrated terminals and standardised delivery packages.

Barriers to Entry in the Mission-Critical Smart Branch Solutions Industry

Qualification certification and compliance barriers: In mission-critical finance and government sectors, manufacturers must hold multiple authoritative certifications for financial payment and data security, involving complex encryption logic and long-cycle audits tracking global regulation. The high time and compliance cost bars new entrants without long-term accumulation from core projects.

Technology verification and customer barriers: Mission-critical devices are embedded in core workflows such as bank counter transactions and border clearance, where stability sets an institution’s operating baseline. As interruptions may cause substantial losses and social risk, large customers prefer long-validated incumbents; reliance on zero-fault records makes switching on price alone very hard, creating high substitution barriers.

Global sales and service network barriers: Centralised procurement by multinational banks and government institutions tests the supplier’s global operating capability, demanding stability, consistency and long-term service. Breaking through requires full-cycle capability: cross-regional sales coverage for multi-country acquisition, bidding compliance and cross-border replication at the front end, and localised service including spare-parts support and local technical resources at the back. This needs sustained capital investment, multinational management and local-adaptation experience, a barrier keeping regional players from large-scale multinational contracts.

Ecosystem and switching-cost barriers: The industry has a closed-loop ecosystem tying hardware, dedicated consumables and original maintenance together; through proprietary protocols and consumables, suppliers sustain deep relationships over five-to-seven-year equipment cycles. Switching brings hardware-replacement cost plus hidden costs of retraining, reintegration and service disruption, so high switching costs let suppliers keep high-margin recurring revenue.

Key Growth Drivers of Mission-Critical Smart Branch Solutions

Rising requirements for business continuity: In finance and government services, tolerance for branch interruption keeps falling, and business continuity is becoming a baseline rather than a differentiator. Procurement criteria shift from functions toward whether key services stay acceptable, traceable and recoverable under poor connectivity, outage or partial failure, driving suppliers to strengthen terminal-side closed loops, fault isolation and end-to-end traceability.

Bill and material handling remains high-frequency rigid demand: Paper materials and image retention remain necessary in many key processes, where printing and scanning stability, image consistency and capture accuracy directly affect throughput, error rates and manual intervention. In peak periods this chain readily becomes a bottleneck, driving upgrades in multi-media compatibility, batch handling, exception management and audit traceability.

Long operating cycles shape procurement logic: Mission-critical equipment and systems have long life cycles with high replacement risk and migration cost, so procurement emphasises long-term usability and maintenance assurance. Focus shifts from one-off delivery to life-cycle performance, valuing remote monitoring, diagnostics and upgrades, spare-parts support and on-site response, so maintenance maturity, service coverage and delivery stability become key to wins and repeat purchases.

INDUSTRY OVERVIEW

Deployment constraints from regional expansion and penetration: Cross-regional replication and lower-tier penetration raise the importance of implementation thresholds and local maintainability. Regional differences in communications, personnel and system foundations amplify the value of terminal-side closed loops, remote maintenance and standardised deployment, so customers prefer solutions deployed quickly at low on-site and training cost.

Future Development Trends of Mission-Critical Smart Branch Solutions

Trend 1: Further integration of terminal capabilities to support replication of low-staff and unattended branches

Cost and consistency pressures drive key capabilities to integrate at the terminal side, supporting low-staff and unattended formats with a stable closed loop across identity verification, material capture and processing, voucher handling and printing, scanning and image retention. Remote maintenance and exception handling strengthen through health monitoring, diagnostics and remote upgrades, making terminal stability, exception handling and long-term operability the key evaluation criteria.

Trend 2: Verifiable paperless workflows, premised on auditability, follow a gradual implementation path

Paperless transformation in mission-critical scenarios emphasises compliance verification and audit traceability, using digital identity authentication, electronic signature, encrypted retention and tamper-resistant mechanisms so materials stay verifiable while meeting regulation. Because material forms and audit standards differ, it proceeds in phases, supporting parallel paper and digital circulation compatible with legacy systems.

Trend 3: Inclusive finance and branch penetration drive low-threshold deployment and stronger maintainability

In counties, towns and communities, poor connectivity, varied personnel and broader service radii make implementability and maintainability more important, so customers focus on deployment speed, training cost and stable operation. Future solutions favour integrated terminals and standardised delivery to cut on-site complexity and improve weak-network usability.

Trend 4: Long-term regional divergence persists, with two parallel upgrade paths

Regional differences in digital foundations, process habits and legacy systems mean two parallel upgrade paths persist: mature markets emphasise compatibility and smooth migration, while less developed or new-touchpoint markets emphasise integrated deployment and rapid implementation. Suppliers must address both with cross-regional adaptability and sustained service, a trend raising concentration and requirements for standardised delivery, local service and long-term maintenance.

OVERVIEW OF THE GLOBAL FINANCIAL SMART PRINTING AND SCANNING EQUIPMENT MARKET

Definition and Development Characteristics of Financial Smart Printing and Scanning Equipment

Financial smart printing and scanning equipment serves the material-handling stage of branch operations, providing specialised terminals for material capture, image retention and bill and receipt output, meeting long-term operation, compliance record-keeping and audit traceability. It falls into three categories: financial printing equipment for voucher and receipt output (stability, multi-media compatibility, exception handling); financial scanning equipment for capture and image retention (image consistency, batch efficiency, system integration); and integrated print-and-scan and counter-integrated terminals combining capture and output in one terminal to cut switching and suit low-staff and remote scenarios.

As financial channels move toward online-offline coordination, routine transactions migrate to self-service while material capture, retention and output stay indispensable, keeping equipment demand stable. Some branches adopt integrated terminals while key workflows keep specialised equipment; procurement shifts toward long-term stable operation and maintenance, focusing on remote-maintenance coverage, spare-parts support and service responsiveness.

INDUSTRY OVERVIEW

Market Size of Global Financial Smart Printing and Scanning Equipment

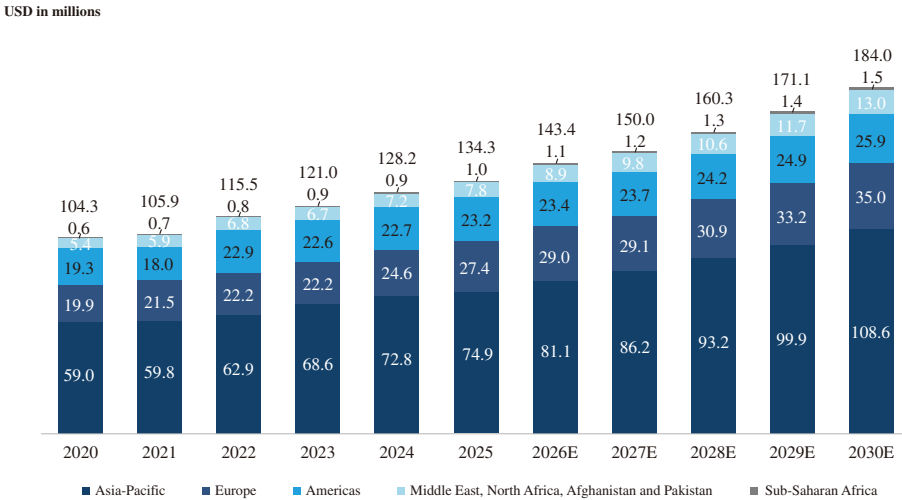
In revenue terms, the global financial smart printing and scanning equipment market was approximately US\$134.0 million in 2025 and is expected to reach approximately US\$184.0 million by 2030, a CAGR of approximately 6.5% from 2025 to 2030, driven mainly by paperless financial operations and process automation; replacement and the shift to highly integrated multifunctional terminals form end customers’ principal capital expenditure.

Asia-Pacific is expected to stay the largest and clearest-growing regional market, at approximately US\$75.0 million in 2025 and an expected global share of approximately 59.0% by 2030, supported by its large commercial-bank-branch base and deepening financial-services penetration; as core systems upgrade and branches transform digitally, demand for advanced, compliance-grade printing and scanning peripherals continues to release.

The European and American markets are broadly in stable transition with moderating growth. In 2025 Europe and the Americas were approximately US\$27.0 million and US\$23.0 million respectively, together approximately 37.3% of the global market, with expected CAGRs of approximately 5.0% and 2.2% from 2025 to 2030; with their mature branch layout, demand stems mainly from compliance-driven replacement and higher-security hardware procurement.

The Middle East and other emerging markets show stronger digital-penetration potential and higher growth, with the Middle East, North Africa and Pakistan expected to record a CAGR of approximately 10.6% from 2025 to 2030, the highest among principal regions, driven mainly by continued government investment in financial infrastructure that advances standardisation and digitisation and drives basic procurement and scaled deployment.

**Global Financial Smart Printing and Scanning Equipment Market Size, by Revenue
(2020–2030 Forecast)**



Core Technology Analysis of Financial Smart Printing and Scanning Equipment

Financial smart printing and scanning equipment holds a key position in the branch material chain, undertaking material output, capture, retention and workflow coordination. Current pain points arise from fragmented equipment and disconnected workflows; as low-staff branches and remote collaboration increase, requirements move toward stable closed-loop capability, with equipment staying reliable under high-frequency use and meeting stricter compliance and traceability.

The first category is core printing-component capability, focusing on printhead design and manufacturing and on stable output control for financial media. Passbooks, bills and receipts demand high paper-feeding stability, positioning accuracy, overprint consistency and exception handling, with output staying consistent under high-frequency use to avoid rework and jams, deviation or unclear printing. Printhead capability sets print quality, stability, usability and maintenance efficiency over long cycles, a key barrier in specialised financial equipment.

INDUSTRY OVERVIEW

The second category is core equipment-control capability, focusing on independent command of motherboards and control modules and the stability of firmware and driver strategies. Financial equipment is used intensively, and downtime directly affects processing and customer experience, demanding strong stable control, exception protection and rapid recovery. Core control capability sets compatibility across branch environments and whether remote diagnosis, policy adjustment and firmware upgrades stay controllable at scale, a key basis for large-scale deployment.

The third category is interaction and capture capability for paperless operations and material digitisation, focusing on electromagnetic handwriting, electronic signature and identity-related capabilities such as biometrics. Paperless transformation in banking moves material circulation from paper to trusted digital workflows; equipment must support the closed loop of signing, confirmation and retention while keeping the process traceable and verifiable. Electromagnetic handwriting and electronic signature handle trusted offline confirmation, while identity capabilities address consistency and authorisation.

The fourth category is image recognition and material-processing capability, focusing on stable scanning quality, improved material usability and recognition and verification of specialised financial media. Scanning quality affects later review, risk control and archive consolidation, so equipment must stay stable in automatic feeding, image-quality control, skew correction and readability enhancement. For bills and cheques it must also support magnetic character recognition, anti-counterfeiting detection and transaction verification, such as MICR and micro-perforation detection. These demand high media-transport stability, recognition accuracy, hardware-module integration and banking-system compatibility; few vendors offer complete integration, giving the technologies scarcity and a threshold separating financial from ordinary office equipment.

Future evolution centres on integrated terminal form factors and higher-quality output: a new generation of print-and-scan devices consolidates printing, scanning and material processing in one terminal. Inkjet is an important printing direction, driven by overseas demand for quieter operation, higher quality and new-media compatibility, while equipment must keep handling financial media such as passbooks and bills. Supporting software strengthens through remote monitoring, warning diagnostics, remote upgrades and consumables management.

Competitive Barriers Analysis of Financial Smart Printing and Scanning Equipment

Barriers in self-developed core components and scaled production: Passbooks, bills and receipts demand extremely high overprint precision, paper-feeding stability and continuous-printing consistency; experience and error rates turn not on appearance or specifications but on the engineering capability of printheads and key mechanical components. Printheads carry demanding process, validation and yield constraints, needing long-term iteration and manufacturing know-how for stable output and batch consistency, which few players can self-develop and mass-produce at scale.

Barriers in control platform and engineering stability: Replacement risk is high and customers tolerate little downtime, so procurement focuses on long-term stable operation rather than feature stacking. Financial-grade reliability needs sustained iteration of motherboards and control modules, firmware and driver strategies and exception-detection mechanisms, corrected with on-site data. The barrier is engineering time, not procuring components; without long-term deployment experience, enterprises struggle to pass stringent testing and scaled roll-out.

Barriers in product adaptation to financial workflows: Financial printing and scanning equipment is embedded in counter-side material workflows, directly affecting acceptance efficiency, error control and compliant retention. Banks differ in material specifications, archiving rules and interfaces, so to be usable, easy to use and replicable, equipment must turn adaptation experience into standardised product capability: parameter self-adaptation, exception-handling strategies, stable interfaces and configurable workflows. New entrants readily meet instability and high maintenance dependency in the last mile, impeding entry into core customers' scaled procurement.

Customer lock-in and switching-cost barriers: Financial equipment has a long life cycle, and replacement touches workflow stability, material specifications and compliance auditing; once scaled deployment is in place, customers keep the same technology route and service system to cut interruption and compliance risk. Competition then turns on long-term stability, compatibility and sustained service rather than price, with high replacement costs and long validation cycles producing strong path dependency favouring first movers.

Future Development Trends of Financial Smart Printing and Scanning Equipment

Terminal form factors are moving toward greater integration: Banks pursue higher efficiency and lower personnel dependence, driving printing and material-handling workflows from multiple devices toward integrated terminals. Previously dispersed printing, scanning and signing required frequent switching and caused waiting, errors and inconsistent retention; integrated terminals consolidate the three in one device, shortening the output-to-retention path and enabling unified parameters, quality control and maintenance. Specialised modules persist for peak-throughput and complex-media workflows but are increasingly absorbed into integrated terminals, which remain dominant.

INDUSTRY OVERVIEW

Traditional specialised equipment remains an important installed-base market amid digital transformation: Despite continued digitalisation and branch transformation, traditional specialised printing equipment remains an important part of the financial printing and scanning market. Demand is gradually shifting from new deployment to replacement and upgrade of the existing installed base. Passbook printers continue to meet the need for stable and precise processing of specialised media in selected financial and postal markets. Accordingly, demand for such equipment is expected to remain supported alongside the development of integrated terminals and paperless solutions.

Printing technology is upgrading from dot-matrix to non-impact in a layered manner: Financial and government branches handle media of varying thickness and format, including passbooks, bills, multipart forms, passports and certificate booklets; dot-matrix printing has long dominated for thick-media adaptability, multipart printing and precise positioning, but its limits in quality, noise, speed and energy use are emerging. Inkjet-led non-impact technologies have built a base in personalised printing of passports, certificates and booklets, integrating multi-media feeding, automatic thickness adaptation and precise positioning with MICR, UV and RFID reading and scan-archiving into quieter, faster, higher-quality, lower-energy terminals. Non-impact will not fully replace dot-matrix near term; it will be adopted first in certificate and booklet media, then penetrate financial, postal and government windows, while developing-country markets release replacement space as demand shifts from availability to quality. Mature dot-matrix continues serving the existing market and high-threshold multipart media, leaving a layered, parallel upgrade pattern.

Paperless operations are moving toward verifiable implementation: For banks, paperless transformation turns on whether the workflow can be verified and traced, not on reducing paper. As physical document-based processes are unlikely to disappear in the near term, traditional specialised equipment, integrated terminals and paperless solutions are expected to develop in parallel during the transition period. Mission-critical printers and all-in-one printing and scanning equipment will continue to support paper output and image retention, while terminals will increasingly embed signing, confirmation, retention and audit functions, remaining key entry points in the compliance chain.

Competitive Landscape of the Global Financial Smart Printing and Scanning Equipment Market

Competitive ranking of the global financial smart printing and scanning equipment market: The market shows leading players holding an advantage while remaining fragmented overall. Based on 2025 revenue, the top five accounted for approximately 26.4% in aggregate, with Pu Ying Innovation first at approximately 10.1% and the top two together close to 20%, a clear lead. Those ranked third to fifth each held below 3%, and many smaller providers remain active, giving a pronounced long-tail effect and a market still in full competition.

Top Five Enterprises in Global Financial Smart Printing and Scanning Equipment Industry, by 2025 Revenue

Rank	Company	Market Share
1	Pu Ying Innovation	10.1%
2	Company B	8.9%
3	Company F	2.8%
4	Company G	2.4%
5	Company C	2.2%
.....		
Combined Share of Top Five Players		26.4%

Source: Frost & Sullivan Report

Competitive ranking of the Asia-Pacific financial smart printing and scanning equipment market: The Asia-Pacific market is highly fragmented, its concentration markedly below the global and European markets. On 2025 revenue the top five accounted for only approximately 24.9% in aggregate, with many local manufacturers given the manufacturing chains of China and Japan. Pu Ying Innovation ranked first at approximately 9.9%, though its gap with followers was limited; driven by product homogeneity and demand for localised service, lower-price competition is particularly intense, with participants competing through pricing and rapid response.

INDUSTRY OVERVIEW

Top Five Enterprises in Asia-Pacific Financial Smart Printing and Scanning Equipment Industry, by 2025 Revenue

Rank	Company	Market Share
1	Pu Ying Innovation	9.9%
2	Company B	7.9%
3	Company H	3.0%
4	Company G	2.3%
5	Company C	1.8%
.....		
Combined Share of Top Five Players		24.9%

Source: Frost & Sullivan Report

Competitive ranking of the Europe financial smart printing and scanning equipment market: As a mature region, Europe has relatively high concentration and a stable structure: on 2025 revenue the top five accounted for approximately 39.6%, with Pu Ying Innovation clearly leading at approximately 20.0%. As European institutions impose stringent security and technical standards, leading enterprises have built strong entry barriers through technological accumulation and service networks, and concentration in stronger brands is clear.

Top Five Enterprises in Europe Financial Smart Printing and Scanning Equipment Industry, by 2025 Revenue

Rank	Company	Market Share
1	Pu Ying Innovation	20.0%
2	Company B	10.8%
3	Company F	4.3%
4	Company C	2.8%
5	Company D	1.7%
.....		
Combined Share of Top Five Players		39.6%

Source: Frost & Sullivan Report

Notes:

- 1) Company B: Nagano Prefecture, Japan; founded 1942. Dot matrix and inkjet printers and professional-grade scanning peripherals; a leading global supplier of precision image processing equipment.
- 2) Company C: Tokyo, Japan; founded 1936. Office printing terminals, professional high-speed document scanners (PFU series) and digital workflow solutions.
- 3) Company D: Nagoya, Japan; founded 1908. Laser printers, multi-function all-in-one machines and professional scanning equipment for government and enterprise markets.
- 4) Company F: Italy. R&D and manufacturing of high-reliability industrial and bank-specific printers (such as passbook printers).
- 5) Company G: Jiangmen, China; founded 2000. Dot matrix printers, cloud printers and various financial office peripheral hardware.
- 6) Company H: Tokyo, Japan; founded 1881. Financial automation equipment (ATMs, passbook printers) and communication and Internet of Things solutions.

REGULATORY OVERVIEW

OVERVIEW OF PRC LAWS AND REGULATIONS

We are a company established in the PRC and a leading provider of enterprise-grade financial intelligent printing and document processing equipment. Our business activities in the PRC are supervised and regulated by the current laws, regulations, rules and other regulatory documents of the PRC. The following sets forth a summary of the major laws and regulations applicable to our business, including business supervision, corporate governance and risk control, as well as other necessary general regulations. The information provided in this section shall not be construed as a comprehensive summary of applicable laws and regulations, nor a detailed description of all the laws and regulations which we are required to comply with.

INTELLECTUAL PROPERTY

Our intellectual property rights primarily consist of trademarks, patents, software copyright. PRC laws governing intellectual property also primarily cover the aforesaid aspects, and we shall strictly comply therewith.

Trademark

According to the *Trademark Law of the PRC* (《中華人民共和國商標法》), which was approved by the Standing Committee of the National People’s Congress (the “SCNPC”) on August 23, 1982 and most recently amended on April 23, 2019 and effective from November 1, 2019, and the *Implementation Regulations for the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002, later amended on April 29, 2014 and effective from May 1, 2014, the trademark office of China national intellectual property administration is responsible for the registration and administration of trademarks throughout the PRC. Trademarks approved and registered by the trademark office are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants enjoy exclusive rights to use trademarks and are protected by the law. All the registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark registrant pursuant to the provisions within the 12-month period before the expiry date. Conducts that shall be deemed as an infringement of the exclusive right to use registered trademarks include, but are not limited to, the following: (i) use of a trademark identical to a registered trademark on the same type of commodities without licensing by the trademark registrant; (ii) use of a trademark similar to a registered trademark on the same type of commodities without licensing by the trademark registrant, or use of a trademark identical or similar to the registered trademark on similar commodities which easily causes confusion; (iii) sale of commodities which infringe upon exclusive rights to use registered trademarks; (iv) forgery or unauthorised manufacturing of labels of other’s registered trademark or sale of forged or unauthorised labels of other’s registered trademark; (v) change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market; (vi) intentionally facilitating infringement of other’s exclusive rights to use trademarks, assisting others in implementation of infringement of exclusive rights to use trademarks; and (vii) causing harm to other’s exclusive rights to use registered trademarks. The infringer may be ordered to stop the infringement act immediately and may also be held liable for compensation to the right holder. The infringer may also be subject to administrative penalties, which may include fines. Where the case constitutes a criminal offence, criminal liability shall apply.

Patent

According to the *Patent Law of the PRC* (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984, which was latest amended on October 17, 2020 and became effective on June 1, 2021, and *Implementing Rules for the Patent Law of the PRC* (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and effective from January 20, 2024, patents are classified into three categories: invention, utility model and design. The duration of patent rights for inventions, utility models and designs shall be 20 years, 10

REGULATORY OVERVIEW

years and 15 years respectively. The patent administrative department under the State Council shall be responsible for administration of patent matters nationwide, accept and examine patent applications and grant patent rights pursuant to the law. Implementation of a patent without licensing of the patentee shall constitute patent infringement. Following the grant of patent rights for an invention or a utility model, unless otherwise stipulated by law, no Organisation or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, use, offer to sell, sell or import such patented products for manufacturing and business purposes, or use the patented method and use, offer to sell, sell or import products obtained directly according to the patented method. Following the grant of design patent rights, no Organisation or individual shall implement the patent without licensing from the patentee, i.e. shall not manufacture, offer to sell, sell or import the design patented products for manufacturing and business purposes. The infringer may be ordered to cease the infringement act immediately and may be liable for compensation to the patentee. The infringer may also be subject to administrative penalties, which may include fines. Where the act constitutes a criminal offence in accordance with the law, the infringer shall bear criminal liability.

Copyright

Pursuant to the *Copyright Law of the PRC* (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and most recently amended on November 11, 2020 and effective from June 1, 2021, and the *Implementation Regulations for the Copyright Law of the PRC* (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002, mostly amended on January 30, 2013 and effective on March 1, 2013, Chinese citizens, legal persons or organisations without legal personality enjoy copyright over their works in accordance with this regulations, whether published or not, which include but not limit to written works, oral works, musical, dramatic, opera, dance, acrobatic artistic works, fine arts, architectural works, photographic works, audio-visual works, graphic works, model works, computer software and any other intellectual achievements which comply with the characteristics of the works.

Pursuant to the *Regulations on the Protection of Computer Software* (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, latest amended on January 30, 2013 and effective on March 1, 2013, Chinese residents, legal entities or other organisations shall be entitled to the copyright of the software they developed, whether the software is released publicly or not. The protection period for software copyright of legal entities shall be 50 years, concluding on December 31 of the 50th year after the software's initial release. But if the software has not been released within 50 years from the date on which the software development is completed, it shall no longer receive the protection of these Regulations.

LABOUR AND SOCIAL WELFARE

Labour

According to the *Labour Law of the PRC* (《中華人民共和國勞動法》), which was first promulgated by the SCNPC on July 5, 1994, most recently amended and effective on December 29, 2018, a written labour contract shall be concluded for establishment of work relationships. Wages paid by an employer to its workers shall not be less than the local minimum wage standards. An employer must establish a sound labour safety and hygiene system to prevent accidents during work and reduce occupational hazards.

According to the *Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and became effective on July 1, 2013, labour contracts include fixed-term labour contracts, non-fixed-term labour contracts, and labour contracts whose term is based on the completion of certain work tasks. The employers shall pay to the workers in a timely and full manner in accordance with the stipulations of the labour contract and State provisions.

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Social Insurance

According to *The Social Insurance Law of the PRC* (《中華人民共和國社會保險法》), promulgated by the SCNPC on October 28, 2010 and latest amended and effective on December 29, 2018, the State has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance.

According to the *Interim Regulation on the Collection and Payment of Social Insurance Premiums* (《社會保險費徵繳暫行條例》), promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance agency and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to pay the required contributions within a set time and pay a late payment surcharge.

Housing Provident Fund

In accordance with the *Regulations on the Administration of Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, latest amended and effective on March 24, 2019, enterprises must register with the housing provident fund management center and open housing provident fund accounts on behalf of its employees. Employers shall pay and deposit housing provident funds on schedule and in full. Where an entity fails to pay or underpays the housing provident fund within the prescribed time, the housing provident fund management center shall order it to make full payment within a specified time and may apply to the people’s court for compulsory enforcement.

LAND AND REAL ESTATES

Pursuant to the *Land Administration Law of the PRC* (《中華人民共和國土地管理法》), which was promulgated on June 25, 1986, last amended on August 26, 2019 and effective on January 1, 2020, and the *Regulations on the Implementation of the Land Administration Law of the PRC* (《中華人民共和國土地管理法實施條例》), which was promulgated on December 27, 1998, last amended on July 2, 2021 and effective on September 1, 2021, land in the PRC is either state-owned or collectively-owned. Lawfully registered land ownership and land use rights are protected by law.

Pursuant to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》) and the *Interim Regulations on Real Estate Registration* (《不動產登記暫行條例》) promulgated by the State Council on November 24, 2014, amended twice in 2019 and 2024, and effective on May 1, 2024, the State implements a unified real estate registration system. Where a building is constructed on land legally obtained for real estate development, registration shall be applied for with the real estate administrative department of the local people’s government at or above the county level by presenting the land use right certificate, which shall verify the application and issue the ownership certificate therefor.

LEASING PROPERTIES

Pursuant to the *Urban Real Estate Administration Law of the PRC* (《中華人民共和國城市房地產管理法》), in the lease of a house, the lessor and the lessee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the lease contract with the department of housing administration for the record. Pursuant to the *Administrative Measures on Commodity Housing Leasing* (《商品房屋租賃管理辦法》), issued by Ministry of Housing and Urban-Rural Development on December 1, 2010 and became effective on February 1, 2011, without the mentioned registration above, the competent construction (real estate) department shall order rectification within a prescribed time limit; if the party fails to rectify within that time limit, a fine shall be imposed.

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According to the PRC *Civil Code* (《中華人民共和國民法典》) which took effect on January 1, 2021, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased property changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

TAXATION

Enterprise Income Tax

According to the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended and 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》), which was promulgated by the State Council and was latest amended in December 6, 2024 and effective on January 20, 2025, a resident enterprise refers to an enterprise established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC, while a non-resident enterprise refers to an enterprise established in accordance with any laws of foreign countries (regions) with no actual management entity within the PRC but have establishments or premises in the PRC, or with no establishments or premises in the PRC but whose income is derived from the PRC. According to the Enterprise Income Tax Law, resident enterprises are subject to a uniform corporate income tax rate of 25%, except where tax incentives are granted to special industries and projects. The high-tech enterprises that PRC's government should fully support will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-added Tax

Pursuant to the *Value-added Tax Law of the PRC* (《中華人民共和國增值稅法》), which was promulgated by the SCNPC in 2024 and effective on January 1, 2026, and the *Implementation Rules for the Provisional Regulations the PRC on Value-added Tax* (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers.

According to the *Enterprise Income Tax Law and the Administrative Measures on the Recognition of High and New Technology Enterprise* (高新技術企業認定管理辦法), which was promulgated on April 14, 2008, amended on January 29, 2016 and came into effect on January 1, 2016, a high and new technology enterprise recognised by the relevant governmental authorities may enjoy a preferential enterprise income tax rate of 15% from the year it obtains the certificate of the high and new technology enterprise and the qualification of an accredited high and new technology enterprise shall be valid for three years from the issue date of the certificate of a high and new technology enterprise.

Dividend Withholding Tax

According to the *Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income* (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), 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 gross amount of the dividends. In respect of the dividends paid by a PRC resident enterprise to a Hong Kong resident, the withholding tax shall not exceed 5% of the total dividends if the beneficial owner is a company that directly holds at least 25% of the capital of the company paying the dividends; otherwise, such withholding tax shall not exceed 10% of the total dividends.

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PRODUCT QUALITY

According to the *Product Quality Law of the PRC* (《中華人民共和國產品質量法》), which was promulgated by the SCNPC on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018, respectively, all production and sales activities within the PRC must comply with this Law. Producers and sellers shall bear the responsibility for product quality in accordance with the provisions of this Law. The responsibilities and obligations of producers for product quality include: (i) they shall be responsible for the quality of the products they produce; (ii) the labels on the products or their packaging shall be true; (iii) they shall not produce products that have been ordered to be eliminated by the PRC; (iv) they shall not forge the place of production, and shall not forge or fraudulently use the name or address of the factories of other manufacturers; and (v) they shall not forge or fraudulently use the certification mark and other product quality marks; (vi) in producing products, a producer shall not adulterate or mix improper elements with its products, and shall not use fake products as genuine products or products of poor quality as high quality products, and shall not use substandard products as products which are up to standard; and (vii) for products which are fragile, flammable or explosive, or which contain toxic, corrosive, radioactive or other dangerous matter, together with products which cannot be placed upside down during storage and transport or which have other special requirements, the packaging must meet the corresponding requirements, and warning marks or warnings in Chinese indicating the points for attention in storage and transport must be made in accordance with relevant state regulations. Producers who are in violation of the above responsibilities and obligations shall be liable for civil damages. The relevant authorities may order the production to stop, confiscate the illegal products, impose a fine and confiscate the illegal proceeds (if any). In serious cases, the business license will be revoked; in case of crime, criminal liability will be pursued according to the law.

COMPULSORY CERTIFICATION AND ADMISSION

According to the *Regulations on Certification and Accreditation of the PRC* (《中華人民共和國認證認可條例》) which was promulgated by the State Council on September 3, 2003, latest revised and came into effect on July 20, 2023, and the *Regulations on the Administration of Compulsory Product Certification* (《強制性產品認證管理規定》) which was promulgated by the State Administration for Market Regulation of the PRC (“SAMR”, formerly the General Administration of Quality Supervision, Inspection and Quarantine) on December 3, 2001 and latest revised by SAMR on September 29, 2022 and came into effect on November 1, 2022, products specified by the state shall not leave the factory, be sold, imported or used in other business activities until they are certified (the “**China Compulsory Certification**”) and labelled with compulsory certification mark. For products that are subject to China Compulsory Certification, the State implements unified product catalogues, unified compulsory requirements, standards and compliance assessment procedures in technical specification, unified certification marks and charging standards. Producers, sellers and importers of the products listed in the catalogues shall entrust a certification body designated by the SAMR to certify the products they produce, sell or import. If the certification requirements are met, an certificate shall be issued by the certification organ. The certificate is valid for 5 years and can be re-applied after the expiration of the validity period.

According to the *Description and Delimitation Table of the Catalog of China Compulsory Certification (2023 Revision)* (《強制性產品認證目錄描述與界定表(2023年修訂)》), which was issued by the SAMR on August 10, 2023 and effective from the same day, Electronic Products and Safety Accessories which includes Display Devices used with Computers, Printing Devices connected to Computers, Multi-function Printer-Copiers, Scanners, etc. in the absence of being certified and labeled with certification marks shall not leave the factory, or be sold, imported or used in other business activities.

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ENVIRONMENTAL PROTECTION

Pursuant to the *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》), which was promulgated on December 26, 1989 and last amended on April 24, 2014, the *Environmental Impact Assessment Law of the People's Republic of China* (《中華人民共和國環境影響評價法》) amended by the SCNPC and came into effect on December 29, 2018, the *Regulations on the Environmental Protection of Construction Projects* (《建設項目環境保護管理條例》) amended by the State Council on July 16, 2017 and effective on October 1, 2017, and the *Interim Measures for the Acceptance Examination of Environmental Protection Facilities of Construction Projects* (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection and came into effect on November 20, 2017, enterprises planning for construction projects shall provide environmental impact reports, environmental impact statements or environmental impact registration forms relating to such projects. The environmental impact reports and environmental impact statements must be approved by the competent environmental protection authority prior to the commencement of any construction work, and the environmental impact registration forms must be filed with the said authority. Upon completion of construction of a construction project for which an environment impact report or environment impact statement is formulated, the builder shall conduct acceptance inspection of the complementary environmental protection facilities pursuant to the standards and procedures stipulated by the environmental protection administrative authorities of the State Council, and formulate the acceptance inspection report. Construction projects aforesaid shall not be put into production or use until their associated environmental protection facilities have passed acceptance inspections. The relevant regulatory authorities shall carry out inspections and supervise the implementation of these facilities.

Enterprises and other producers that discharge pollutants shall take measures to prevent and control the environmental pollution and harm caused by the waste gas, wastewater, waste residue and dust generated during production, construction or other activities. Facilities for the prevention and control of pollution in a construction project shall be designed, constructed and put into operation simultaneously with the main work. The pollution prevention facilities shall comply with the requirements of the approved environmental impact assessment documents and shall not be dismantled or left idle without authorisation.

According to the *Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019)* (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment came into effect on December 20, 2019, key management, simplified management and registration management of pollutant discharge permits are implemented based on factors such as the amount of pollutants generated, the amount of pollutants discharged and the degree of impact on the environment. The pollutant discharging entity subject to registration management does not need to apply for the pollutant discharge permit, but shall fill in the pollutant discharge registration form on the national pollutant discharge permit management information platform.

According to the *Guidelines for the Registration of Pollutant Discharge for Stationary Pollution Sources (Trial Implementation)* (《固定污染源排污登記工作指南(試行)》) issued by the Ministry of Ecology and Environment and came into effect on January 6, 2020, enterprises that do not need to apply for a pollutant discharge permit in accordance with the law shall carry out pollutant discharge registration in accordance with the relevant provisions.

PRODUCTION SAFETY

Pursuant to the *Production Safety Law of the PRC* (《中華人民共和國安全生產法》) promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021, and implemented on September 1, 2021, the emergency management department of the State Council shall implement comprehensive supervision and management of production safety nationwide. Production and operation entities must implement national or industry standards for ensuring production safety formulated in accordance with the law, establish and improve production safety responsibility system for all employees and production safety rules and regulations. Production and operation entities that fail to meet production safety conditions shall not engage in production and operational activities. Production and operation entities shall conduct production safety education and training for their employees, ensure that employees possess necessary production safety knowledge, and provide them with necessary labour protective equipment.

REGULATORY OVERVIEW

CUSTOMS

According to the *Foreign Trade Law of the PRC* (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, latest amended on December 27, 2025 and implemented on March 1, 2026, the State allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. The State may, based on the specific reasons as prescribed in the Foreign Trade Law of the PRC, prohibit or restrict the import and export of relevant goods and technologies, or take other necessary measures.

According to the *Customs Law of the PRC* (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987 and was last amended and implemented on April 29, 2021, all conveyance, goods and articles entering or leaving the territory shall be subject to customs control, including declaration, examination and supervision. Duties shall be levied accordingly. Unless otherwise exempted or reduced by the laws, the consignee of import goods, the consignor of export goods and the owner of inward and outward articles shall be the obligatory customs duty payer. A fine may be imposed for acts which violate the regulations on customs control prescribed in the Customs Law of the PRC.

According to the *Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC* (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and came into effect on January 1, 2022, customs declaration entities refer to consignees or consignors of imports and exports and customs declaration enterprises which have filed record with the Customs pursuant to these Provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification and in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators. According to the *Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods* (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs on January 3, 2023 and came into effect on the same day, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

CYBERSECURITY, DATA SECURITY AND PROTECTION OF PERSONAL INFORMATION

Cybersecurity and Data Security

The *Cybersecurity Law of the PRC* (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”) promulgated on November 7, 2016, latest amended in 2025 and becoming effective on January 1, 2026, is applied to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and administrative regulations and fulfil the cybersecurity protection obligations when conducting business and providing services. Those who provide services through networks shall take technical and other necessary measures in accordance with the mandatory requirements of laws, administrative regulations and national standards to ensure cybersecurity and stable operation, respond to cybersecurity incidents effectively, prevent cyber-related illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws and administrative regulations and agreements between both parties.

The *Data Security Law of the PRC* (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was promulgated on June 10, 2021 and became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system.

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According to the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) jointly revised and promulgated by the Cyberspace Administration of China (the “CAC”) and other twelve PRC regulatory authorities on December 28, 2021, and the *Regulations on the Cyber Data Security Management* (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulations**”) promulgated by the State Council on September 24, 2024, which became effective on January 1, 2025, the Cyber Data Security Regulations optimise regulations for cross-border network data security management, specifying conditions under which network data processors may provide personal information abroad in accordance with the regulations and international treaties or agreements. The regulations clarify that data not identified or publicly announced as important data by relevant regions or departments need not undergo cross-border security assessments for important data.

Protection of Personal Information

The *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》) (the “**PIPL**”) promulgated by the SCNPC on August 20, 2021 and came into effect on November 1, 2021 aims to protect the rights and interests of personal information, regulate personal information processing activities and promote the reasonable use of personal information. Personal information as defined in the PIPL refers to all kinds of information related to identified or identifiable natural persons recorded electronically or by other means, excluding anonymised information. The PIPL stipulates the circumstances under which personal information processors may process personal information, including but not limited to obtaining the consent of the individual concerned, and where it is necessary for the conclusion and performance of a contract to which the individual concerned is a party. It also sets out certain specific rules regarding the obligations of personal information processors, such as informing individuals of the purposes of processing, the methods of processing, and the obligation of third parties who have access to personal information through joint processing or entrustment.

FOREIGN EXCHANGE

Pursuant to the *Foreign Exchange Control Regulations of the PRC* (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on January 29, 1996 and last amended and effective on August 5, 2008, the foreign exchange management matters in the PRC may be divided into current account items (goods, services, gains and transactions items that are frequently transferred, etc. involved in international balance of payments) and capital account items (transactions items in international balance of payments which cause changes in external assets and liabilities, including capital transfers, direct investments, investments in securities, derivatives and loans, etc.). Most of the current account items are not subject to the approval of foreign exchange administrative authorities, while capital account items are subject to the approval of foreign exchange administrative authorities.

According to *Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas* (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration. After a domestic enterprise is listed overseas, where its domestic shareholders reduce their holdings of the overseas listed shares, they shall, before the reduction or within 30 working days after the reduction, apply to the bank in the place where the domestic shareholders are located for reduction registration; where a domestic shareholder increases its holding of overseas shares of a domestic enterprise, it shall, within 20 working days prior to the proposed increase, apply to the local branch of the State Administration of Foreign Exchange for increase registration.

On April 10, 2020, the State Administration of Foreign Exchange (“SAFE”) issued and implemented the *Notice on Optimising Foreign Exchange Administration to Support the Development of Foreign-related Business* (《關於優化外匯管理支持涉外業務發展的通知》), which stipulates that eligible enterprises are allowed to make domestic payments by using their capital, foreign debts and

REGULATORY OVERVIEW

overseas listing, without prior provision of proof materials for veracity to the bank for each transaction, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts.

On December 4, 2023, the SAFE issued and implemented the *Notice on Further Deepening Reforms to Facilitate Cross-border Trade and Investment* (《關於進一步深化改革促進跨境貿易投資便利化的通知》), which provides that the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic parties, as well as the foreign exchange funds raised by domestic enterprises through overseas listing, may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

OUTBOUND DIRECT INVESTMENT

Pursuant to the *Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions* (《境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas direct investment, domestic institutions shall apply for foreign exchange registration for its overseas direct investments at the Foreign Exchange Administrations in their localities.

According to the *Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment* (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on February 13, 2015 and came into effect on June 1, 2015, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks and their branches are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the *Administrative Measures on Overseas Investments* (《境外投資管理辦法》) which was issued by the Ministry of Commerce on September 6, 2014 and came into effect on October 6, 2014, the Ministry of Commerce and the provincial commerce authorities shall implement filing and examination and approval respectively based on different circumstances of overseas investments of enterprises. Overseas investment involving any sensitive country and region, or any sensitive industry shall be subject to examination and approval. Overseas investment under other circumstances shall be subject to filing.

Pursuant to the *Administrative Measures for the Outbound Investment by Enterprises* (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission (“NDRC”) on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in Chinese Mainland such as acquiring overseas ownership, controlling rights, business management rights and other relevant rights and interests by way of investing with assets or equities or providing financing or guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects carried out by investors either directly or through overseas enterprises controlled thereby that involve sensitive countries and regions or sensitive industries shall be subject to approval by the NDRC, and non-sensitive outbound investment projects directly carried out by investors shall be subject to filing. For a project requiring filing, the authority in charge of filing is NDRC if the investor is a local enterprise and the amount of Chinese investment is USD0.3 billion or above; the authority in charge of filing is the provincial development and reform authority at the place where the investor is registered, if the investor is a local enterprise and the amount of Chinese investment is less than USD0.3 billion.

COMPANY LAW AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by the *Company Law of the PRC* (《中華人民共和國公司法》), which was promulgated by the SCNPC in December 1993 and further amended in December 1999, August 2004, October 2005, December 2013,

REGULATORY OVERVIEW

October 2018 and December 2023, respectively. The latest amendment has been effective since July 1, 2024. According to the Company Law of the PRC, companies are generally classified into two categories: limited liability companies and joint stock limited companies. A joint stock limited company is an legal enterprise incorporated in the PRC pursuant to the Company Law of the PRC. It owns independent legal property and enjoys the right to such property. Its registered capital is divided into shares of equal par value. The company shall be liable for its debts to the extent of all its assets. The shareholders of the company shall be liable for the company to the extent of the shares subscribed for by them.

The *Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》), which was promulgated on March 15, 2019 and came into effect on January 1, 2020, sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organisations (collectively, the “**foreign investors**”) shall not invest in any sector forbidden by the negative list for access of foreign investment, (ii) for any sector restricted by the negative list for access of foreign investment, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list for access of foreign investment shall be managed under the principle of treating domestic investments and foreign investments equally. It, together with its implementation rules, also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system. Foreign investors or foreign-funded enterprises shall submit investment information to the competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

The *Measures for Foreign Investment Information Reporting* (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. Since January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, the foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

According to the *Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition)* (《外商投資准入特別管理措施(負面清單) (2024年版)》) promulgated on September 6, 2024, a domestic enterprise engaged in business in a field in which investment is prohibited by the Negative List may offer shares and be listed for trading overseas, subject to the examination and approval of the appropriate department of the state; an overseas investor shall not participate in the operations and management of the enterprise, and its stake shall be subject to the relevant provisions on the administration of domestic securities investment by overseas investors.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN HONG KONG

Business Registration

Business operations in Hong Kong are governed by the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong). Any individual or entity conducting business locally shall register with the Inland Revenue Department and obtain a business registration certificate within one month after business commencement. Such registration informs the tax authority of business establishment and facilitates tax collection on Hong Kong businesses.

Taxation

Taxation within Hong Kong is governed by the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong, IRO), which levies taxes on property, earnings and profits sourced in Hong Kong. All entities conducting trade, profession or business locally are liable to profits tax on Hong Kong-derived income excluding gains from capital asset disposal. The statute also sets out rules covering deductible expenses, loss offset and depreciation allowances.

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Anti-Bribery

Anti-corruption conduct in Hong Kong is governed by the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), which prohibits all bribery and corrupt acts by directors and employees whether conducting business within or outside Hong Kong. Restricted behaviours include soliciting, accepting or offering advantages for business favours, bribing public servants and manipulating public tender procedures. The fine is up to HK\$500,000 (or HK\$1,000,000 for the offence under Section 10) and imprisonment of 1 to 10 years, depending on the specific offence. Common law also imposes criminal liability for bribing public duty holders, public officials soliciting bribes and official misconduct, and corporate personnel are banned from conspiring with public officers to commit misconduct in official capacity.

Competition

Market competition in Hong Kong is governed by the Competition Ordinance (Chapter 619 of the Laws of Hong Kong), which prohibits conduct hindering competition and mergers substantially lessening competition in Hong Kong, and establishes three competition rules including the First Conduct Rule, the Second Conduct Rule and the Merger Rule, with the Merger Rule currently applying only to undertakings holding a carrier licence under the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong). The First Conduct Rule bans anti-competitive agreements and concerted practices with anti-competitive object or effect, while the Second Conduct Rule prohibits abuse of market power with such adverse impacts. For breaches of the two conduct rules, the Competition Tribunal may impose sanctions set out under Section 93, Section 101 and Section 151A, including financial penalty capped at 10% of the turnover of the relevant companies for each year of contravention (maximum three years), director disqualification orders and prohibition orders.

Data Privacy and Protection

Personal data protection in Hong Kong is governed by the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong, PDPO), which defines personal data as identifiable information relating to living individuals and regulates all data users controlling the collection, storage, processing and usage of such data. All data users shall comply with six statutory data protection principles covering lawful collection, proper retention, restricted usage, data security, public policy transparency and data subject access and correction rights. The Privacy Commissioner for Personal Data is empowered under Section 38 to launch relevant investigations and may issue enforcement notices pursuant to Section 50 to rectify violations. Failure to comply with such notices constitutes a criminal offence carrying a Level 5 fine of HK\$50,000 and imprisonment for 2 years upon first conviction.

Employment

Labour relations in Hong Kong are governed by four core statutory ordinances. The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) regulates basic employment terms including wage payment, wage deduction limits, statutory holidays and contract termination, and grants employees under continuous contracts statutory benefits including maternity leave, sickness allowance, paid annual leave, rest days, severance payment and long service payment. The Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong, ECO) sets up a no-fault, non-contributory compensation regime, under which employers bear compensation liability for staff injuries or death caused by work accidents or designated occupational diseases. The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong, MWO) entitles applicable employees to a statutory minimum hourly wage of HK\$43.10 effective May 1, 2026, renders void any contractual clause diminishing such wage rights and excludes limited categories of workers from coverage. The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) governs private MPF retirement schemes; employers must enrol eligible employees aged 18 to 64 with 60 or more days' service, with severe fines and imprisonment for failure to enrol staff or fulfill contribution obligations.

REGULATORY OVERVIEW

Sales of Goods

Transactions for goods in Hong Kong are governed by the Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong, SOGO), which regulates the formation, performance and enforcement of sales contracts as well as the transfer of title to goods. The statute contains implied contractual conditions and warranties, requiring goods sold by description to match such description, goods supplied in the course of business to be of merchantable quality, and goods to be reasonably fit for any special purpose disclosed by the buyer. Under Section 55 of the SOGO, a buyer may not reject goods merely for a warranty breach, and may only claim price abatement or damages against the seller as remedies.

Intellectual Property Protection.

Copyright protection in Hong Kong is regulated by the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong). Section 30 stipulates that unlicensed import or export of infringing copies for non-private use constitutes copyright infringement. Under Section 31, a series of commercial acts involving infringing copies without copyright owner’s consent also amount to infringement, including commercial possession, sale, hire, public exhibition and large-scale non-commercial distribution harming copyright owners.

Registered trade mark protection in Hong Kong is governed by the Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong, TMO) and the Trade Marks Rules (Chapter 559A of the Laws of Hong Kong). Trade mark protection follows a territorial principle, so overseas registered trade marks are not automatically protected locally and require separate registration. A registered trade mark constitutes statutory property rights under Section 10, conferring exclusive use rights on its owner under Section 14. Section 18 defines infringing acts as commercial use of identical marks on identical or similar goods/services likely to confuse the public. Trade mark owners may institute infringement proceedings under Section 22 and claim remedies such as damages and injunctions, together with court orders for delivery up and disposal of infringing goods under Sections 23 and 25.

Unregistered brand goodwill in Hong Kong is protected by common law passing off claims. A valid passing off action requires three core elements: the claimant owns market goodwill attached to distinctive identifiers, a third party makes misleading misrepresentation causing public confusion over source, and the claimant suffers or will suffer resultant harm. Various types of proven misrepresentation can support such claims. Lawful parallel imports of genuine goods generally do not constitute passing off, yet modification of product labels or contents by importers may create actionable passing off liability.

Import and Export Regulations

Cross-border cargo movement in Hong Kong is regulated by the Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong, IEO) and the Import and Export (General) Regulations (Chapter 60A of the Laws of Hong Kong, IEGR). Section 6C of IEO prohibits importation of Schedule 1 of IEGR controlled goods without valid import licences, with convicted offenders liable to a HK\$500,000 fine and 2 years’ imprisonment. The Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong) mandate all importers and exporters including the Group to submit complete and accurate customs declarations within 14 days of cargo clearance. Late filing or materially false declarations attract summary conviction fines, while tiered civil late submission penalties calculated based on cargo value and delay period are recoverable by the HKSAR Government through District Court proceedings.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN ITALY

Corporate and Contract

Private law matters in Italy are governed by the Italian Civil Code, issued by Royal Decree No. 262 of March 16, 1942 as amended. It serves as Italy’s primary private law source and regulates the formation, organisation, operation and dissolution of commercial entities including limited liability companies (*società a responsabilità limitata*, S.r.l.). It contains rules covering corporate governance, directors’ duties and liability, corporate asset management, shareholders’ rights and obligations, the validity and enforceability of contracts, and general tort and damages regimes. Specific provisions address contract formation, interpretation, and legal consequences arising from non-performance or breach.

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Corporate Administrative Liability

Corporate administrative liability in Italy is governed by Legislative Decree No. 231 of June 8, 2001 (D.Lgs. 231/2001). This decree establishes a liability regime for legal entities for specific criminal offences committed for the entity’s interests or gain by its representatives, management, supervisors or personnel under their supervision, covering corruption, fraud, market abuse, money laundering and other statutory offences. Sanctions against liable entities include administrative fines, restrictive business measures, confiscation of illegal proceeds and mandatory judgment publication. An entity may avoid such liability if it had formulated and fully implemented a proper Organisational, Management and Control Model and set up an independent supervisory body before the offence occurred, while adoption of such compliance models is not statutorily required in Italy.

Data Protection and Privacy

Personal data processing in Italy is subject to the EU General Data Protection Regulation (Regulation (EU) 2016/679, GDPR) and the Italian Privacy Code, issued by Legislative Decree No. 196 of June 30, 2003 and amended by Legislative Decree No. 101 of August 10, 2018. The GDPR directly applies to Italy and all EU Member States from May 25, 2018, laying out core processing principles, lawful processing grounds, data subject rights, and statutory obligations for controllers and processors such as data breach notification and data protection impact assessments. The Italian Privacy Code supplements the GDPR with country-specific rules where EU law allows national differentiation. The Italian Data Protection Authority acts as the local supervisory body, and infringements of the GDPR may attract administrative penalties capped at EUR20,000,000 or 4% of global annual turnover, whichever amount is higher.

Employment

Labour relations in Italy are regulated by a multi-layered framework of sources and when identifying the legal regime governing an Italian employment relationship, reference is to be made to: (i) the law, which includes – though is not limited to – the following: Italian Constitution; the Italian Civil Code; the Workers’ Statute (Law No. 300 of May 20, 1970); Law. No. 604/1966; Law. No. 223/1991; Legislative Decree No. 81 of June 15, 2015 (the Jobs Act); Legislative Decree No. 23 of March 4, 2015. The Italian Constitution (Articles 35–40) enshrines fundamental labour rights, including freedom of association and the right to strike. The Italian Civil Code (Articles 2094 *et seq.*) provides the general legal foundations of employment agreement and severance indemnities (TFR). The Workers’ Statute safeguards core workplace employee rights such as freedom of association and protection against unfair dismissal for employees hired until March 7, 2025. Law No. 604/1966 governs individual dismissals on grounds of just cause (*giusta causa*) or justified reason (*giustificato motivo*). Law No. 223/1991 regulates collective dismissal procedures. The Jobs Act Legislative Decree No. 23/2015 govern, among other matters, contractual items, working hours, leave, anti-discrimination rules and dismissal protection for employees hired from March 7, 2015; (ii) the sector-wide National Collective Bargaining Agreements (“CCNLs”) and company-level or local collective agreements; CCNLs, supplemented where applicable by company-level or local collective agreements, regulates almost every aspect of the employment relationship; and (iii) the individual employment contract which may depart from collective provisions only where more favourable to the employee.

Work Health and Safety

Occupational health and safety regulation in Italy is mainly based on Legislative Decree No. 81 of April 9, 2008 (as amended), which transposes EU Framework Directive 89/391/EEC and serves as Italy’s primary occupational health and safety legislation. The statute allocates safety and prevention duties among employers, managers, supervisors and workers to prevent workplace accidents and occupational diseases. It imposes core mandatory obligations on employers, including the drafting of a Risk Assessment Document (“DVR”), appointment of a Prevention and Protection Officer (“RSPP”) and a competent company physician where applicable, provision of sufficient employee information, safety training and protective equipment, and implementation of measures to eliminate or reduce workplace risks. Violations may result in administrative sanctions, while serious breaches can give rise to criminal liability for employers.

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Taxation

Italian corporate tax matters are regulated by a comprehensive set of statutory instruments covering corporate income tax, regional production tax, value-added tax, tax assessment procedures and tax sanctions. Italian resident entities are subject to three core taxes: IRES corporate income tax charged at a standard rate of 24% on worldwide income, IRAP regional production tax levied at 3.9% on domestic production value (potentially plus regional surcharges), and IVA value-added tax applying a standard 22% rate with reduced rates for qualifying goods and services, together with tailored rules governing cross-border transactions, import VAT and reverse charge. Italy enforces the transfer pricing regulations under the Italian Income Tax Code, which are consistent with the OECD Transfer Pricing Guidelines and statutory controlled foreign company rules, and complies with the EU ATAD anti-tax avoidance directives. The national tax authority is empowered to conduct tax audits and issue formal tax assessments. Tax non-compliance may result in administrative penalties, whilst serious tax violations and tax fraud will trigger criminal liability under applicable Italian tax laws.

Consumer Protection

Consumer protection in Italy is governed by the Consumer Code (Legislative Decree No. 206 of September 6, 2005, as amended) and a series of implementing laws covering unfair commercial practices, unfair contract terms, distance selling and e-commerce, and EU goods sale regulations. The Consumer Code serves as Italy’s primary consumer protection framework, regulating business-to-consumer relations, pre-contractual disclosure obligations, consumer withdrawal rights for distance and off-premises contracts, unfair contract clauses, product safety and consumer remedies for non-compliant goods. Legislative Decree No. 146/2007 bans misleading and aggressive unfair commercial practices against consumers. The Italian Competition and Market Authority (“AGCM”) is the competent enforcement body empowered to impose substantial administrative fines for breaches. Updated rules transposed from the latest EU goods sale directive strengthen statutory requirements for goods and digital content conformity, remedy mechanisms and overall consumer protection standards.

Product and Sales

Products marketed within the EU and Italy must comply with harmonised EU technical standards and product safety directives, including the EMC Directive, Low Voltage Directive, updated RoHS hazardous substance restrictions and WEEE waste recycling rules. The EU CE marking framework mandates manufacturers or authorised EU representatives to complete conformity assessment and affix valid CE marking prior to product launch. The RoHS Directive restricts harmful substances such as lead, mercury and cadmium in electronic and electrical equipment. The WEEE regime imposes producer responsibilities for waste collection, treatment and recycling, requiring relevant manufacturers selling products in Italy to complete national registration and participate in official waste take-back schemes. The applicable rules also cover ecodesign requirements for eligible products.

Intellectual Property Protection

Industrial property protection in Italy is governed by the Italian Industrial Property Code, covering domestic patents, trademarks, designs and utility models. The EU Trade Mark Regulation establishes unitary EU-wide trademark protection, granting unified intellectual property rights effective across all EU Member States. Registered trademark owners are entitled to prohibit unauthorised use of identical or similar signs in relation to identical or similar goods and services that may cause confusion.

Import and Export Regulations

Cross-border goods movement in Italy and the EU is regulated by the EU Union Customs Code and its delegated and implementing regulations, together with national Italian customs, import VAT, export control and customs anti-money laundering rules. The Union Customs Code serves as the primary framework governing EU-wide customs procedures, covering customs declaration, clearance regimes including free circulation, customs warehousing, inward processing and temporary admission, duty

REGULATORY OVERVIEW

calculation and payment, as well as the rights and obligations of customs declarants and economic operators. Imported goods are generally subject to EU Common Customs Tariff duties and import VAT. Trusted businesses may obtain AEO certification to access simplified customs procedures and operational facilitations. The EU Export Control Regulation regulates the export, transit, brokering and technical assistance relating to dual-use items. Breaches of applicable customs provisions may lead to administrative sanctions, with serious infringements incurring criminal liability.

OVERSEAS SECURITIES OFFERING AND LISTINGS

The *Securities Law of the PRC* (《中華人民共和國證券法》) was promulgated by the SCNPC on December 29, 1998, and was last revised on December 28, 2019, coming into effect on March 1, 2020. It comprehensively regulates activities in the securities market of Chinese Mainland, including the issuance and trading of securities, listed companies, securities exchanges, securities firms, acquisitions, and the responsibilities of securities regulatory authorities. The China Securities Regulatory Commission (the “**CSRC**”) is the securities regulatory body directly under the State Council, responsible for implementing unified supervision and administration on the securities market nationwide pursuant to the law.

On February 17, 2023, CSRC released the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”), which was implemented on March 31, 2023 together with several supporting guidelines (together with the Trial Measures, collectively referred to as the “**New Regulations on Filing**”). Under New Regulations on Filing, an enterprise within the PRC that issues securities overseas or lists and deals in its securities overseas shall comply with the laws, administrative regulations and relevant national rules on foreign investment, state-owned assets management, industrial supervision, overseas investment, and shall not disturb the domestic market order or do harm to national interests, social public interests, and the legitimate rights and interests of domestic investors.

An issuer seeking an overseas [REDACTED] or [REDACTED] shall, within 3 working days after submitting the issuance and [REDACTED] documents overseas, file a registration with the CSRC and submit the filing report, legal opinions, and other relevant documents, ensuring a true, accurate, and complete description of shareholder information. Once the filing documents are complete and comply with the stipulated requirements, the CSRC will, within 20 working days of receiving such documents, conclude the review procedure and publish the filing results on its official website. If the filing documents are incomplete or do not conform to the stipulated requirements, the CSRC will, within 5 working days of receiving the filing documents, request supplementary materials. The issuer shall provide the additional documents within 30 working days.

On February 24, 2023, the CSRC and other three relevant government authorities jointly 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 became effective from March 31, 2023. The Archives Rules requires that, in relation to the overseas listing activities of domestic enterprises, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with the relevant laws and regulations of the PRC and the requirements of these Provisions, strengthen legal awareness of confidentiality of State secrets and archives administration, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Under the Archives Rules, the “domestic enterprises” refer to the domestic companies limited by shares that issue public offerings directly overseas and domestic operating entities that indirectly issue public offerings overseas. According to the Archives Rules, during the course of an overseas offering and listing, if a domestic enterprise needs to provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing subjects, other documents and materials, the disclosure of which will cause adverse impact on the national security or public interests, a domestic enterprise shall strictly go through the corresponding procedures pursuant to the relevant provisions of the State.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading PRC-based manufacturer of enterprise-grade financial intelligent printing and document processing equipment. According to Frost & Sullivan, we are a leading company in the global financial smart printing and scanning equipment market. In June 2012, our Company was established by Printer Solution in Shenzhen, the PRC. In August 2015, Shenzhen Yun’ao and Yunzhong Investment acquired our Company from Printer Solution. Subsequently, in January 2016, our Company was converted into a joint stock company with limited liability and renamed as Shenzhen Pu Ying Innovation Technology Corporation Limited (深圳普贏創新科技股份有限公司). For details, please see “Establishment and Development of Our Company – Early History and Establishment of Our Company” in this section.

BUSINESS DEVELOPMENT MILESTONES

The following table summarises the key milestones in our history:

Year	Milestones
2015	Shenzhen Yun’ao and Yunzhong Investment acquired our Company.
2016	Our Company was converted into a joint stock company with limited liability and renamed as Shenzhen Pu Ying Innovation Technology Corp Ltd. (深圳普贏創新科技股份有限公司) in January 2016. We completed the acquisition of the banking and postal business of [REDACTED] in March 2016. We set up Olicom International S.r.l. as our subsidiary in Italy and commence our business operation in Italy on May 25, 2016.
2017	We were recognised as the “National Hi-tech Enterprise (國家高新技術企業)” by the Science, Technology and Innovation Commission of Shenzhen Municipality (深圳市科技創新委員會), the Finance Commission of Shenzhen Municipality (深圳市財政局), the Shenzhen Municipal Office of the State Administration of Taxation and the Shenzhen Local Taxation Bureau (國家稅務總局深圳市稅務局) in October 2017.
2018	We entered into a cooperation agreement with Huazhong University of Science and Technology (華中科技大學) and established the “Joint Research Center for Machine Vision and Artificial Intelligence” at the headquarter of our Company.
2020	We were awarded as one of the best in Italy for “Outstanding Managerial and Financial Performances” by the economic and financial magazine Industria Felix in collaboration with Cerved Group S.p.a in January 2020. We won the “Champion of Growth” prize for being one of the Italian companies with the highest growth rate during the 2016–2019 period by the German Quality and Finance Institute (ITQF) in partnership with the prestigious financial magazine Affari & Finanza in October 2020.
2023	We were rated as “Shenzhen Innovative Small and Medium Enterprises (深圳市創新型中小企業)” and “Shenzhen SRDI (Specialised, Refinement, differential and innovation) Enterprises (深圳市專精特新中小企業)” by Shenzhen municipal government in April 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestones
2024	The MB2, one of our flagship series of mission-critical specialised printers and all-in-one printing & scanning equipment, made its official debuted. Our MB2 printers sold to a prominent private commercial bank in Pakistan through our distributors, further expanding our presence in Southeast Asia, and demonstrating the competitiveness as well as market recognition of our products in overseas financial terminal markets.
2025	We obtained bulk orders for our electromagnetic screen module products in relation to our EMR technology.

OUR SUBSIDIARIES

As of the Latest Practicable Date, our Company had a total of three subsidiaries. The information about our subsidiaries are shown below.

Name	Place and date of incorporation	Equity interest attributable to our Group	Principal business activities
Zhuhai Puying	PRC, July 26, 2018	100%	Development and manufacturing of intelligent printing equipment and related products
Pu Ying Olicom	Hong Kong, April 5, 2016	100%	Import and export trading of printers
Olicom International	Italy, May 25, 2016	100%	Development, marketing and sale of hardware, software and information technology solutions

For further details of these subsidiaries, see “– Corporate Structure” in this section. For changes in the registered capital of our subsidiaries, see “Statutory and General Information – 1. Further Information about Our Company – C. Changes in Share Capital of Our Subsidiary” in Appendix V to this document.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

Establishment and Early-stage Developments

On June 18, 2012, the predecessor of the Company, Pu Ying Innovation Technology (Shenzhen) Co., Ltd. (普贏創新科技(深圳)有限公司) was established under the laws of the PRC with a registered capital of RMB3.0 million by Printer Solution.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The First Share Transfer in August 2015

On August 13, 2015, Printer Solution entered into an equity transfer agreement with Shenzhen Yun’ao and Yunzhong Investment, pursuant to which, Printer Solution transferred the shares of the Company to Shenzhen Yun’ao and Yunzhong Investment at a consideration of RMB3.0 million in total. Upon completion of such transfer, our Company was held by Shenzhen Yun’ao and Yunzhong Investment as to 66.67% and 33.33%, respectively.

First Capital Increase in October 2015

On October 22, 2015, the registered capital of our Company was increased from RMB3.0 million to RMB32.0 million which was subscribed by the following subscribers.

<u>Subscriber</u>	<u>Settlement Date</u>	Registered Share Capital Subscribed (RMB)	Consideration (RMB)
Shenzhen Yun’ao	November 27, 2015	13,000,000	13,000,000
Yunzhong Investment	November 27, 2015	6,000,000	6,000,000
Gao Huanming (高煥明)	September 25, 2015	3,000,000	3,000,000
Zhang Peng (張鵬)	September 25, 2015	2,500,000	2,500,000
Sun Jiayi (孫佳宜)	September 29, 2015	2,000,000	2,100,000
Liu Zuyu (劉祖瑜)	September 30, 2015	1,500,000	1,500,000
Zhang Wei (張薇)	September 29, 2015	500,000	550,000
Zhou Qun (周群)	September 29, 2015	500,000	500,000
Total⁽¹⁾		29,000,000	29,150,000

Note:

- (1) The difference between the consideration paid and registered share capital subscribed, being RMB150,000 was credited to the capital reserve of the Company.

Conversion into a Joint Stock Limited Company

Pursuant to the shareholders’ resolutions on December 9, 2015, and the promoters’ agreement of the same date, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB32,000,000. According to the audit report issued by Da Hua Certified Public Accountants LLP on December 8, 2015, the audited net asset value of our Company as of November 30, 2015 amounted to RMB32,665,878.46, of which (i) RMB32,000,000 had been converted into 32,000,000 Shares of RMB1.00 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount was converted to capital reserve of our Company. Upon the completion of registration with the Shenzhen Market Supervision and Administration Bureau (深圳市市場監督管理局) on January 12, 2016, our Company was converted into a joint stock company with limited liability and renamed as Shenzhen Pu Ying Innovation Technology Corporation Limited (深圳普贏創新科技股份有限公司).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately after the conversion into a joint stock company, the Company was held by the following shareholders who acted as promoters for the purpose of the stock conversion of our Company. The information of our promoters is set forth as follows:

Shareholders	Number of Shares	Approximately Shareholding Percentage (%)
Shenzhen Yun’ao	15,000,000	46.88
Yunzhong Investment	7,000,000	21.88
Gao Huanming (高煥明)	3,000,000	9.37
Zhang Peng (張鵬)	2,500,000	7.81
Sun Jiayi (孫佳宜)	2,000,000	6.25
Liu Zuyu (劉祖瑜)	1,500,000	4.69
Zhang Wei (張薇)	500,000	1.56
Zhou Qun (周群)	500,000	1.56
Total	32,000,000	100.00

Second Capital Increase in July 2016

On July 19, 2016, the registered capital of our Company was increased from RMB32,000,000 to RMB42,000,000 which was subscribed by the following subscribers.

Subscriber	Settlement Date	Registered Share Capital Subscribed (RMB)	Consideration (RMB)
Pan Jingshao (潘景韶)	February 16, 2016	1,680,000	10,080,000
Infotech Ventures	February 16, 2016	1,650,000	9,900,000
Wang Jinbo (王晉波)	February 16, 2016	1,350,000	8,100,000
Chen Jingwen (陳敬文)	February 16, 2016	1,000,000	6,000,000
Zeng Lixia (曾麗霞)	February 16, 2016	1,000,000	6,000,000
Zheng Ruicheng (鄭銳成)	February 16, 2016	1,000,000	6,000,000
Zhu Haoshen (朱浩深)	February 16, 2016	500,000	3,000,000
Pan Ruifeng (潘瑞峰)	February 16, 2016	480,000	2,880,000
Guo Yongshuang (郭永雙)	February 16, 2016	300,000	1,800,000
Chen Huanqiang (陳煥強)	February 16, 2016	210,000	1,260,000
Liu Meiyang (劉梅英)	February 16, 2016	210,000	1,260,000
Cen Jiabin (岑嘉斌)	February 16, 2016	200,000	1,200,000
Huang Taixiang (黃太祥)	February 16, 2016	200,000	1,200,000
Mo Shiquan (莫石泉)	February 16, 2016	100,000	600,000
Guo Zhongcheng (郭忠誠)	February 16, 2016	100,000	600,000
Pan Peiying (潘佩英)	February 16, 2016	20,000	120,000
Total		10,000,000	60,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Third Capital Increase in July 2017

On May 25, 2017, our total share capital increased from RMB42,000,000 to RMB63,000,000, by way of capitalising capital reserve on the basis of 5 additional Shares for every 10 existing Shares for all the then Shareholders, resulting in a total issuance of 21,000,000 additional Shares.

On May 25, 2017, the registered capital of our Company was increased from RMB63,000,000 to RMB83,000,000 which was subscribed by Infotech Fund. The consideration for such subscription was RMB100,000,000, which was fully settled on August 21, 2017.

Second Share Transfer in December 2019

On December 31, 2019, Cen Jiabin (岑嘉斌) entered into an equity transfer agreement with Pan Jingshao, pursuant to which Cen Jiabin transferred its entire approximately 0.36% equity interest in our Company, representing RMB300,000 of the registered capital, to Pan Jingshao at a consideration of RMB1,200,000.

Third Share Transfer in August 2020

On August 18, 2020, Pan Jingshao entered into an equity transfer agreement with Mr. Zheng Xiaohui, pursuant to which Pan Jingshao transferred its entire approximately 0.18% equity interest in our Company, representing RMB150,000 of the registered capital, to Mr. Zheng Xiaohui at a consideration of RMB600,000.

Share Repurchases and Capital Reduction in November 2020

Due to commercial considerations of certain of our investors, on September 8, 2020, we repurchased an aggregate of 4,500,000 Shares, representing 5.42% of the total issued share capital of our Company immediately before such Share repurchases, from Chen Jingwen (陳敬文), Zeng Lixia (曾麗霞) and Zheng Ruicheng (鄭銳成) at a total consideration of RMB22,500,000. Upon completion of share repurchases and capital reduction on November 4, 2020, the shareholding structure was as follows:

Shareholders	Number of Shares	Approximately Shareholding Percentage (%)
Shenzhen Yun'ao	22,500,000	28.65
Infotech Fund	20,000,000	25.48
Yunzhong Investment	10,500,000	13.38
Gao Huanming (高煥明)	4,500,000	5.73
Zhang Peng (張鵬)	3,750,000	4.78
Sun Jiayi (孫佳宜)	3,000,000	3.82
Pan Jingshao (潘景韶)	2,670,000	3.40
Infotech Ventures	2,475,000	3.15
Liu Zuyu (劉祖瑜)	2,250,000	2.87
Wang Jinbo (王晉波)	2,025,000	2.58
Zhang Wei (張薇)	750,000	0.96
Zhu Haoshen (朱浩深)	750,000	0.96
Zhou Qun (周群)	750,000	0.96
Pan Ruifeng (潘瑞峰)	720,000	0.92
Guo Yongshuang (郭永双)	450,000	0.57
Chen Huanqiang (陳煥強)	315,000	0.40
Liu Meiyi (劉梅英)	315,000	0.40
Huang Taixiang (黃太祥)	300,000	0.38

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Number of Shares	Approximately Shareholding Percentage (%)
Mo Shiquan (莫石泉)	150,000	0.19
Guo Zhongcheng (郭忠誠)	150,000	0.19
Mr. Zheng Xiaohui	150,000	0.19
Pan Peiying (潘佩英)	30,000	0.04
Total	78,500,000	100.00

Fourth Share Transfer in November 2020

On November 30, 2020, Zhu Haoshen (朱浩深) entered into an equity transfer agreement with Gao Huanming (高煥明), pursuant to which Zhu Haoshen (朱浩深) transferred his entire 0.96% equity interest in our Company, representing RMB750,000 of the registered capital, to Gao Huanming (高煥明) at a consideration of RMB3,750,000.

Fifth Share Transfer in September 2021

On September 13, 2021, Liu Zuyu (劉祖瑜) entered into an equity transfer agreement with Zhang Xinyuan (張馨元), the spouse of Liu Zuyu (劉祖瑜), pursuant to which Liu Zuyu (劉祖瑜) transferred his entire 2.87% equity interest in our Company, representing RMB2,250,000 of the registered capital, to Zhang Xinyuan (張馨元) at a consideration of RMB nil.

Sixth Share Transfer in December 2021

In recognition of the contributions of our employees and to incentivise them to further promote our development, Shenzhen Yunzhong was established as our Employee Incentive Platforms in the PRC in November 2021.

On December 24, 2021, Yunzhong Investment transferred its entire 13.38% equity interest in our Company, representing RMB10,500,000 of the registered capital, to Shenzhen Yunzhong for a total consideration of RMB7,000,000. On the same date, Huang Taixiang (黃太祥) and Guo Zhongcheng (郭忠誠) entered into an equity transfer agreement with Shenzhen Yunzhong, pursuant to which Huang Taixiang (黃太祥) and Guo Zhongcheng (郭忠誠) transferred their combined entire 0.57% equity interest in our Company, representing RMB450,000 of the registered capital, to Shenzhen Yunzhong at a consideration of RMB1,800,000.

Seventh Share Transfer in December 2022

On December 29, 2022, Gao Huanming (高煥明), Mo Shiquan (莫石泉) and Pan Peiying (潘佩英) respectively entered into equity transfer agreements with Shenzhen Yunzhong, pursuant to which Gao Huanming (高煥明) transferred a partial 0.96% equity interest representing RMB750,000 of the registered capital at a consideration of RMB3,750,000, Mo Shiquan (莫石泉) transferred his entire 0.19% equity interest representing RMB150,000 of the registered capital at a consideration of RMB750,000, and Pan Peiying (潘佩英) transferred her entire 0.04% equity interest representing RMB30,000 of the registered capital at a consideration of RMB150,000; collectively, the three transferors transferred a total 1.18% equity interest in our Company, representing an aggregate RMB930,000 of the registered capital, to Shenzhen Yunzhong at a total consideration of RMB4,650,000.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Eighth Share Transfer in July 2024

On July 8, 2024, Wang Jinbo (王晉波) entered into an equity transfer agreement with Shenzhen Yunzhong, pursuant to which Wang Jinbo (王晉波) transferred his entire 2.58% equity interest in our Company, representing RMB2,025,000 of the registered capital, to Shenzhen Yunzhong at a consideration of RMB8,500,000.

Ninth Share Transfer in September 2025

On September 25, 2025, Chen Huanqiang (陳煥強), Liu Meiyang (劉梅英) and Guo Yongshuang (郭永雙) respectively entered into equity transfer agreements with Zheng Xiaohui (鄭曉暉), pursuant to which Chen Huanqiang (陳煥強) transferred his entire 0.40% equity interest representing RMB315,000 of the registered capital at a consideration of RMB1,575,000, Liu Meiyang (劉梅英) transferred her entire 0.40% equity interest representing RMB315,000 of the registered capital at a consideration of RMB1,575,000, and Guo Yongshuang (郭永雙) transferred his entire 0.57% equity interest representing RMB450,000 of the registered capital at a consideration of RMB2,250,000; collectively, the three transferors transferred a total 1.57% equity interest in our Company, representing an aggregate RMB1,080,000 of the registered capital, to Zheng Xiaohui (鄭曉暉) at a total consideration of RMB5,400,000.

ACQUISITION, MERGER AND DISPOSAL

In March 2016, our Company completed the acquisition of the banking and postal business of [REDACTED] Company, for an aggregate consideration of approximately EUR10.69 million. Upon completion of the acquisition, the acquired business and assets became part of our Group’s operations.

The acquisition formed part of our strategy to expand our business scale, strengthen our market position and broaden our product offerings. Through the acquisition, we acquired relevant assets and business resources relating to banking and postal printing equipment, and inherited an extensive global sales network. Our Directors believe that the acquisition has enabled us to enhance our industry resources, strengthen our technical capabilities and improve our overall competitiveness, which is in line with our long-term development strategy.

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

[REDACTED] EMPLOYEE INCENTIVE SCHEME

On January 17, 2025, our Board approved the implementation plan of the Employee Incentive Scheme for 2025, pursuant to which partnership interests corresponding to RMB2.0 million capital contribution in Shenzhen Yunzhong, representing 2,974,491 Shares of our Company, were granted to 13 incentive recipients. Such incentive recipients acquired the partnership interests in Shenzhen Yunzhong at a price of RMB1.0 per unit of capital contribution.

Upon completion of the implementation of the Employee Incentive Scheme, the 13 incentive recipients were granted interests corresponding to an aggregate of 2,974,491 Shares of our Company, representing approximately 3.79% of the total issued share capital of our Company and approximately 21.39% partnership interest in Shenzhen Yunzhong. As advised by our PRC Legal Advisers, the implementation of the Employee Incentive Scheme has obtained the necessary approvals and completed the relevant registration procedures, and is legal and compliant in all material respects. As of the date of this Document, all Shares subject to the [REDACTED] Employee Incentive Scheme were granted to, vested in, and subscribed for by the participants.

As of the date of this Document, our Employee Incentive Platform, Shenzhen Yunzhong, was held as to approximately 0.1% by Yun’ao Investment, its sole general partner, with the remaining partnership interests held by 16 limited partners, comprising: (i) Ms. Zhao Hui, holding 59.2%; (ii) Chen Rui, holding 10.7%; (iii) Chen Deyang (陳德英), holding 5.3%; and (iv) the remaining 13 limited partners who are core technical and business employees of our Company, holding an aggregate of 16.2%. The three limited partners referred to in items (i) to (iii) above are executive Directors or senior management members of our Company. The other 13 limited partners are neither Directors, senior management nor connected persons of our Company, and each holds less than 10% partnership interests.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

For further details of the Employee Incentive Scheme and our Employee Incentive Platform, see “Statutory and General Information – Employee Incentive Scheme” in Appendix V to this Document.

[REDACTED] INVESTMENTS

Summary of [REDACTED] Investments

The following table sets forth a summary of the details of the [REDACTED] Investments:

	October 2015 Capital Increase	July 2016 Capital Increase	July 2017 Capital Increase
Date(s) of the agreements	September 22, 2015	January 14 and 25, 2016	May 25 and June 21, 2017
Amount of registered capital or number of Shares subscribed for (RMB)	29,000,000	10,000,000	20,000,000
Amount of consideration paid (RMB)	29,000,000	60,000,000	100,000,000
Date of payment of full consideration	November 27, 2015	February 16, 2016	August 21, 2017
Implied pre-money valuation of our Company (RMB) (approximation)	3,000,000	192,000,000	315,000,000
Post-money valuation of our Company (RMB) (approximation)	32,000,000	252,000,000	415,000,000
Cost per Share paid under the [REDACTED] Investments (RMB) (approximation)	1.0	6.0	5.0

[REDACTED]

Basis of determination of the consideration

The valuation and consideration for each round of the [REDACTED] Investments were determined based on arm’s length negotiations between our Company and the [REDACTED] Investors after taking into consideration the timing of the investments, the status of our business operations, financial performance of our Group, and the prospects of our business.

The increase in our Company’s valuation between the “October 2015 Capital Increase” and the “July 2016 Share Issuance” mainly reflected our investors’ recognition of (i) our proposed acquisition of the banking and postal business of [REDACTED], which was expected to expand our business scale and strengthen our market position; and (ii) the proposed introduction of Infotech Ventures, an experienced investment institution with industry expertise, as an investor of our Company, which was expected to enhance our Group’s industry resources, strategic development capabilities and overall competitiveness.

The increase in our Company’s valuation between the “July 2016 Share Issuance” and the “July 2017 Share Issuance” mainly reflected our investors’ recognition of our successful acquisition of the banking and postal business of [REDACTED] in 2016, through which we acquired relevant patents, proprietary technologies, equipment and other assets, which enhanced our technological capabilities, research and development capabilities and global influence.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	<u>October 2015 Capital Increase</u>	<u>July 2016 Capital Increase</u>	<u>July 2017 Capital Increase</u>
Lock-up period	Pursuant to the applicable PRC law, all existing Shareholders (including the [REDACTED] Investors) could not dispose of any of the Shares held by them within 12 months from the [REDACTED].		
[REDACTED] from the [REDACTED] Investments	As of the Latest Practicable Date, the [REDACTED] from the [REDACTED] Investments had been fully utilised primarily for R&D activities, the construction of our Zhuhai industrial park, and investment in production equipment.		
Strategic benefits to our Group brought by the [REDACTED] Investors	At the time of the [REDACTED] Investments, our Directors were of the view that (i) the [REDACTED] Investments have broadened our shareholder base and demonstrated the [REDACTED] Investors’ confidence in the operation and development of our Group; and (ii) our Group could benefit from the additional funds provided by relevant [REDACTED] Investors for our research and development and daily operations and the knowledge and experience of the [REDACTED] Investors.		
Basis of determination of the consideration	The valuation and consideration for each round of the [REDACTED] Investments were determined based on arm’s length negotiations between our Company and the [REDACTED] Investors after taking into consideration the timing of the investments, the status of our business operations, financial performance of our Group, and the prospects of our business. The increase in our Company’s valuation between the “October 2015 Capital Increase” and the “July 2016 Capital Increase” mainly reflected our investors’ recognition of (i) our proposed acquisition of the banking and postal business of [REDACTED], which was expected to expand our business scale and strengthen our market position; and (ii) the proposed introduction of Infotech Ventures, an experienced investment institution with industry expertise, as an investor of our Company, which was expected to enhance our Group’s industry resources, strategic development capabilities and overall competitiveness. The increase in our Company’s valuation between the “July 2016 Capital Increase” and the “July 2017 Capital Increase” mainly reflected our investors’ recognition of our successful acquisition of the banking and postal business of [REDACTED] in 2016, through which we acquired relevant patents, proprietary technologies, equipment and other assets, which enhanced our technological capabilities, research and development capabilities and global influence.		

Notes:

- (1) The [REDACTED] to the [REDACTED] is calculated based on the currency translation of HK\$1.00 to RMB0.87 and on the basis of the [REDACTED] of HK\$[REDACTED], the mid-point of the proposed range of the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Rights of the [REDACTED] Investors

Our Company and the [REDACTED] Investors have entered into certain shareholders agreements (collectively, the “[REDACTED] Investment Agreements”). Pursuant to the [REDACTED] Investment Agreements, such [REDACTED] Investors were granted certain special rights, including restrictions on transfer of shares, right of first refusal, co-sale rights, drag-along rights, pre-emptive rights, anti-dilution protection, share repurchase rights, liquidation preference, most favoured nation provisions, protective provisions and information rights (the “Special Right”).

All Special Right granted to the [REDACTED] Investors shall be terminated on the date immediately prior to the date of the first submission of the [REDACTED] to the Stock Exchange.

In respect of Infotech Fund, (i) if our Company fails to submit the [REDACTED] to the Stock Exchange on or before June 30, 2026, such redemption right of Infotech Fund shall remain effective, and Infotech Fund shall have the right to require Shenzhen Yun’ao and Shenzhen Yunzhong to repurchase the Shares held by it, provided that the exercise period of such share repurchase right shall be six months commencing from July 1, 2026; (ii) if our Company voluntarily withdraws the [REDACTED] after submission, such redemption right of Infotech Fund shall be restored, and the exercise period of Infotech Fund’s right to require Shenzhen Yun’ao and Shenzhen Yunzhong to repurchase the Shares held by it shall be changed to six months commencing from the date of such voluntary withdrawal; (iii) if our Company ultimately fails to complete the [REDACTED], Shenzhen Yun’ao and Shenzhen Yunzhong shall use their best endeavours to facilitate the exit of Infotech Fund.

In respect of Mr. Pan Jingshao (潘景韶) and Mr. Pan Ruifeng (潘瑞峰), if our Company ultimately fails to complete the [REDACTED], Shenzhen Yun’ao undertakes to repurchase all Shares held by them or procure a third party to acquire such Shares within two years from the date on which the [REDACTED] is returned by the Stock Exchange.

Sole Sponsor’s confirmation

On the basis that (i) the consideration for [REDACTED] investments was settled more than 28 clear days before the date of first submission of the [REDACTED] to the Stock Exchange or no less than 120 clear days before the [REDACTED]; and (ii) the termination of special rights granted to the [REDACTED] Investors as disclosed in “– Rights of the [REDACTED] Investors” above, the Sole Sponsor confirms that the [REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about our [REDACTED] Investors

The background information of our [REDACTED] Investors is set out below.

Infotech Fund

Infotech Fund is a limited partnership established under the laws of the PRC on September 28, 2016. Its general partner is Infotech Investments (Shenzhen) (盈富泰克(深圳)新興產業投資基金管理有限公司), which is directly held as to 50% by Infotech Ventures and 50% by Shenzhen Xinhaitai Investment Consulting Co., Limited (深圳市鑫海泰投資諮詢有限公司) respectively, and is ultimately controlled by Liu Tingru (劉廷儒), an Independent Third Party. Infotech Fund is a professional investment institution focusing on investments in high-technology industry companies. As of the Latest Practicable Date, Infotech Fund had seven limited partners, of which the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) is the largest limited partner, holding approximately 40.17% of the partnership interests in Infotech Fund. The remaining partnership interests are held by the other six limited partners, none of whom individually holds more than 20% of the partnership interests. All limited partners are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Infotech Ventures

Infotech Ventures, a limited liability company established in the PRC on April 20, 2000. Its largest shareholder is Shenzhen Xinhaitai Investment Consulting Co., Limited (深圳市鑫海泰投資諮詢有限公司), holding 24.15% of its equity interest, and is ultimately controlled by Liu Tingru (劉廷儒). As of the Latest Practicable Date, the remaining equity interest in Infotech Ventures is held by nine other shareholders, all of whom are Independent Third Parties, and none of whom individually holds more than 10% of the equity interest. Infotech Ventures is a professional investment institution focusing on investments in high-technology industry companies.

Ms. Gao Huanming (高煥明)

Ms. Gao Huanming serves as the non-executive Director of our Company. Ms. Gao Huanming is the spouse of Mr. Pan Jingshao, and Mr. Pan Ruifeng is their son. For biographical details of Ms. Gao Huanming, please see “Directors and Senior Management” in this document.

Mr. Zhang Peng (張鵬)

Mr. Zhang Peng serves as the non-executive Director and senior regional manager of our Company. For biographical details of Mr. Zhang Peng, please see “Directors and Senior Management” in this document.

Ms. Sun Jiayi (孫佳宜)

Ms. Sun Jiayi is an individual investor and an Independent Third Party. Ms. Sun Jiayi became acquainted with Mr. Zheng Xiaohui and, having confidence in the prospects of our Company, made an investment in our Company.

Mr. Pan Jingshao (潘景韶)

Mr. Pan Jingshao is the spouse of Ms. Gao Huanming.

Mr. Pan Ruifeng (潘瑞峰)

Mr. Pan Jingshao is the son of Ms. Gao Huanming and Mr. Pan Jingshao.

Ms. Zhang Xinyuan (張馨元)

Ms. Zhang Xinyuan is an individual investor. She is related to Ms. Chen Deying, an executive Director of our Company, as the daughter of Ms. Chen Deying.

Ms. Zhang Wei (張薇)

Ms. Zhang Wei is an individual investor and an Independent Third Party. Ms. Zhang Wei became acquainted with Mr. Zheng Xiaohui and, having confidence in the prospects of our Company, made an investment in our Company.

Mr. Zhou Qun (周群)

Mr. Zhou Qun is an individual investor and an Independent Third Party. Mr. Zhou Qun became acquainted with Mr. Zheng Xiaohui and, having confidence in the prospects of our Company, made an investment in our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALISATION

The table below is a summary of the capitalisation of our Company as of Latest Practicable Date and immediately following the [REDACTED] of the Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised):

Shareholder	As of the Latest Practicable Date		Immediately Following the Completion of the [REDACTED] of the Unlisted Shares into H Shares and the [REDACTED]		Whether the H Shares count towards public float or not
	Number of Shares	Percentage of Shareholding in the Shares	Number of H Shares	Percentage of Shareholding in the H Shares	
<i>Controlling Shareholders</i>					
Shenzhen Yun’ao	22,500,000	28.66%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Yunzhong	13,905,000	17.71%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zheng Xiaohui	1,230,000	1.57%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Subtotal</i>	37,635,000	47.94%	[REDACTED]	[REDACTED]	
<i>Other Shareholders</i>					
Infotech Fund	20,000,000	25.48%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Gao Huanming	4,500,000	5.73%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Peng	3,750,000	4.78%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Sun Jiayi	3,000,000	3.82%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Pan Jingshao	2,670,000	3.40%	[REDACTED]	[REDACTED]	[REDACTED]
Infotech Ventures	2,475,000	3.15%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhang Xinyuan	2,250,000	2.87%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhang Wei	750,000	0.96%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhou Qun	750,000	0.96%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Pan Ruifeng	720,000	0.92%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Subtotal</i>	40,865,000	52.06%	[REDACTED]	[REDACTED]	
<i>H Shareholders under the [REDACTED]</i>					
	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	78,500,000	100.00%	[REDACTED]	[REDACTED]	

PUBLIC FLOAT AND FREE FLOAT

Our Company has made an application for a H-share “Full Circulation”, which [has been] approved by the CSRC and pursuant to which, a total of 78,500,000 Domestic Shares will be [REDACTED] into H Shares on a one-for-one basis upon the completion of the [REDACTED].

Following the [REDACTED] of 78,500,000 Unlisted Shares into H shares and upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

- (a). [REDACTED] H Shares (representing approximately [REDACTED]% of our total issued Shares upon the [REDACTED] (assuming that the [REDACTED] is not exercised)) will not be counted towards the public float for the purpose of Rule 11.23(11) of the GEM Listing Rules, including (1) [REDACTED] H Shares will be held by our Shenzhen Yun’ao, Shenzhen Yunzhong and Mr. Zheng Xiaohui, each of whom are our Controlling Shareholders;

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) [REDACTED] H Shares held by Infotech Fund and Infotech Ventures. Infotech Fund is one of the substantial shareholders, while Infotech Ventures is its close associate, both of which are ultimately controlled by Mr. Liu Tingru (劉廷儒), an Independent Third Party of our Group; (3) [REDACTED] H Shares held by Mr. Zhang Peng (張鵬), our non-executive Director; (4) [REDACTED] H Shares held by Ms. Zhang Xinyuan (張馨元), a close associate of Ms. Chen Deying (陳德英), our executive Director; (5) [REDACTED] H Shares held by Ms. Gao Huanming (高煥明), Mr. Pan Jingshao (潘景韶) and Mr. Pan Ruifeng (潘瑞峰). Ms. Gao Huanming (高煥明) is our non-executive Director and Mr. Pan Jingshao (潘景韶) and Mr. Pan Ruifeng (潘瑞峰) are their close associate;
- (b). a total of [REDACTED] Unlisted Shares will be [REDACTED] into H Shares and excluding such Unlisted Shares held by our core connected persons, a total of [REDACTED] of such Unlisted Shares will be counted as part of the public float, representing [REDACTED]% of our share capital in aggregate. However, as the H Shares held by the current Shareholders holding Unlisted Shares will be subject to a lock-up period, those H Shares will not count towards the free float at the time of the [REDACTED]; and
- (c). as all existing Shareholders (including [REDACTED] Investors) are subject to a lock-up period of twelve months following the [REDACTED] under applicable PRC law, Shares held by them will not count towards free float, and a total of [REDACTED] H Shares to be issued pursuant to the [REDACTED] will be counted as part of free float at the time of the [REDACTED], representing [REDACTED]% of our share capital in aggregate.

In light of the above, upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and the [REDACTED] of Unlisted Shares into H Shares), an aggregate of [REDACTED] H Shares or approximately [REDACTED]% of the total issued share capital of our Company will be counted towards the public float upon the [REDACTED]. With respect to the indicative [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the low-end, mid-point and the high-end of the [REDACTED] range, respectively), the expected market capitalisation of the Company's H Shares at the time of [REDACTED] will be approximately HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED], respectively. Under Rule 25.07A(1) of the GEM Listing Rules, in the event the expected market value of the Company's H Shares upon [REDACTED] does not exceed HK\$[REDACTED], at least [REDACTED]% of the total issued H Shares must be held by the public upon [REDACTED]. Therefore, our Company will satisfy the minimum public float requirement under Rule 25.07A(1) of the GEM Listing Rules.

Rule 25.07B(1) of the GEM Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions at the time [REDACTED] must normally (i) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$15,000,000; or (ii) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000.

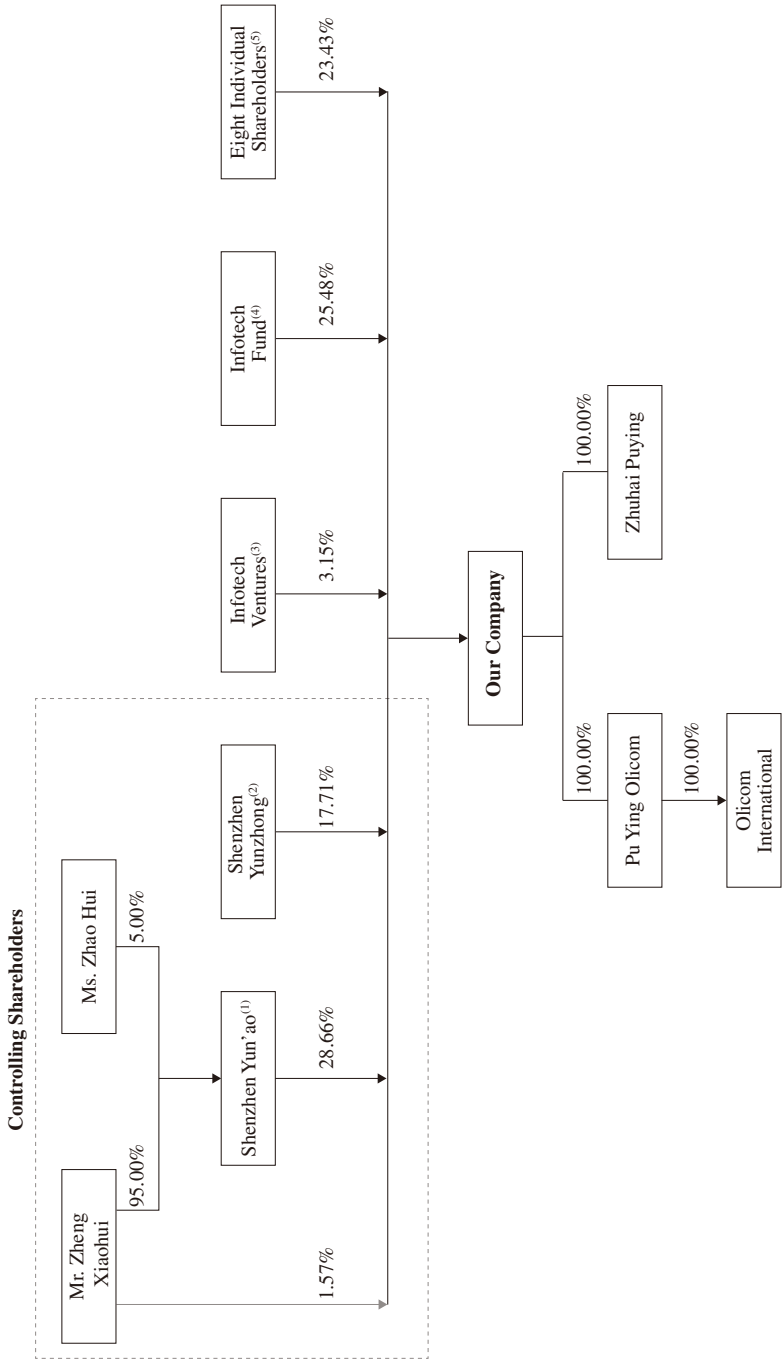
Based on an [REDACTED] of HK\$[REDACTED] (being the low-end of the [REDACTED] range), upon completion of the [REDACTED], it is expected that [REDACTED] H Shares will not be subject to any disposal restrictions (whether under contract, the GEM Listing Rules, applicable laws or otherwise) at the time of the [REDACTED], representing approximately [REDACTED]% of our total issued Shares upon [REDACTED] and a market capitalisation of approximately HK\$[REDACTED]. Therefore, our Company is expected to satisfy the free float requirement under Rule 25.07B(1) of the GEM Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

The following diagram sets forth the corporate structure of our Group immediately before the completion of the [REDACTED]:



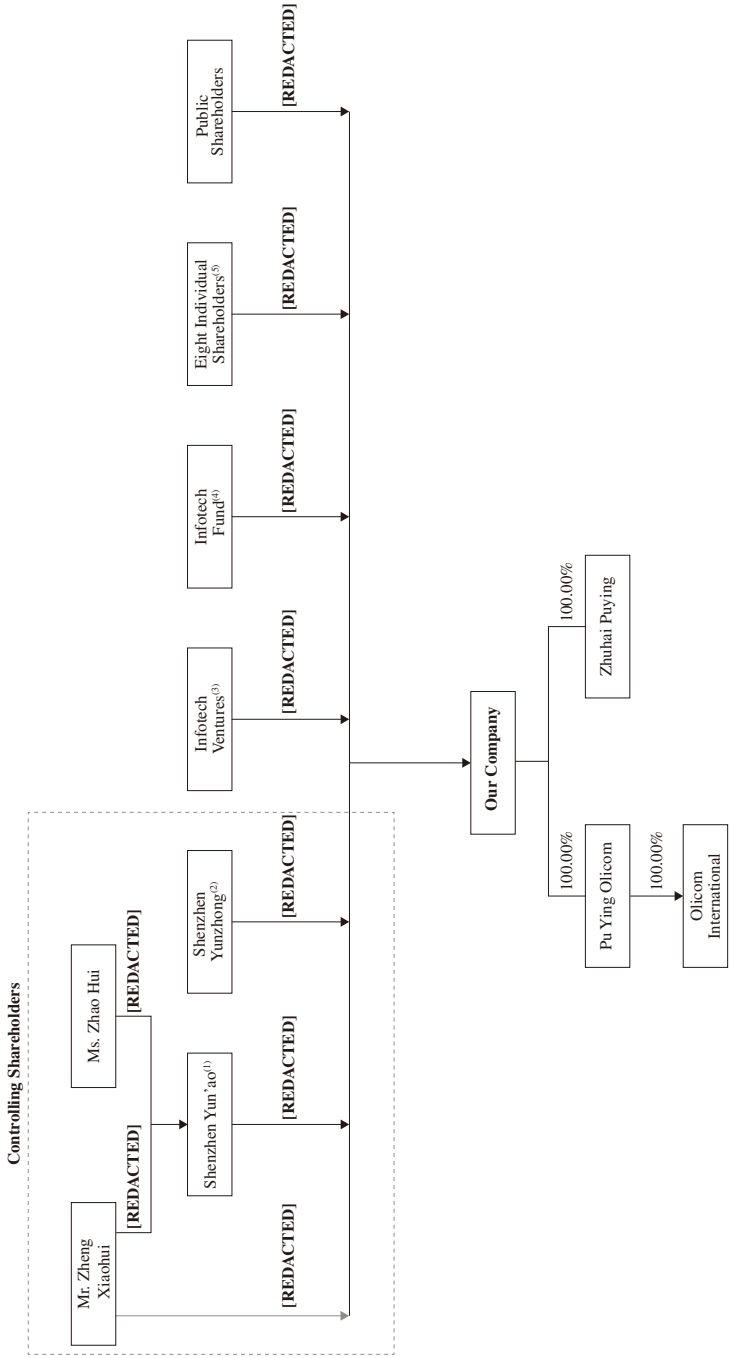
Note:

- (1) Shenzhen Yun'ao was a limited liability company established under the laws of the PRC on July 28, 2015, which was held as to 95.00% by Mr. Zheng Xiaohui and 5.00% by his spouse Ms. Zhao Hui. Shenzhen Yun'ao is one of our Controlling Shareholders.
- (2) Shenzhen Yunzhong was a limited partnership established under the laws of the PRC on November 18, 2021, and our employee shareholding platform. Shenzhen Yunzhong was held as to approximately 0.11% by Shenzhen Yun'ao as its general partner, 59.25% by Ms. Zhao Hui, 5.35% by Ms. Chen Deying and 35.29% by other 14 limited individual partners.
- (3)-(5) For details of the [REDACTED] Investors, please see “- [REDACTED] Investments” under this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure Immediately After the [REDACTED]

The following diagram sets forth our Group’s simplified shareholding and corporate structure immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note:

(1)-(5) Please see “ – Corporate Structure Immediately Before the [REDACTED]” in this section.

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OVERVIEW

Who We Are

We are a leading PRC-based manufacturer of enterprise-grade financial intelligent printing and document processing equipment. We focus on the design, research and development, manufacturing and marketing of three highly synergistic product lines: (i) mission-critical specialised printers and all-in-one printing & scanning equipment, (ii) smart kiosks & terminals, and (iii) consumables, spare parts and other products. Our products are primarily deployed in the banking and financial sector for printing deposit certificates and bills. We sell our products globally through both distributorship and direct sales models. As of the Latest Practicable Date, we had served over 186 customers worldwide, with products distributed across more than 54 countries and regions. In terms of our global market position in the professional financial intelligent printing and document processing equipment industry, please see “Our Strengths – Global Market Leadership in Professional Financial Intelligent Printing Equipment” for details.

The financial intelligent printing and document processing industry is evolving from standalone printing and scanning devices toward integrated intelligent terminals driven by digital transformation and the development of smart banking branches. In response to this trend, our product portfolio is designed to provide highly reliable, scenario-adaptable and full-life cycle document processing solutions. Compared with general printing applications, financial scenarios require higher standards of operational reliability, security, standardised document processing and compatibility with diverse specialised media. Our products integrate printing, scanning, recognition, magnetic stripe reading and writing, and human-machine interaction functions, while supporting media up to 2.6 mm in thickness and one-plus-six-ply carbonless processing. Through reliable hardware performance, compliance with industry standards and strong adaptability to complex banking environments, our products provide one-stop document processing solutions for teller counters, smart branches and self-service terminals.

Our products have obtained various domestic and international certifications and filings, including CCC, CB, NRTL and CE certifications, as well as selected energy-efficiency filings and certifications. We also maintain ISO 9001 and ISO 14001 certifications covering our headquarters and manufacturing facilities. Supported by our research and development capabilities, compliance with applicable regulatory requirements in multiple markets and seamless integration with customers’ existing financial systems, we have established long-term customer relationships and a strong position in the global financial intelligent printing and document processing equipment market.

Our Business Model

We operate an integrated business model covering the design, research and development, manufacturing and global commercialisation of mission-critical specialised printers and all-in-one printing & scanning equipment, smart kiosks & terminals, and consumables, spare parts and other products. Leveraging our proprietary technologies and vertically integrated manufacturing capabilities, we maintain end-to-end control over key aspects of product development, production and quality assurance. This integrated operating model supports product reliability, cost efficiency, supply chain resilience and rapid customisation for customers operating in mission-critical environments. We sell our products globally through a combination of authorised distributors and direct sales channels, primarily serving the banking and financial sector.

Our mission-critical specialised printers and all-in-one printing & scanning equipment form the foundation of our revenue base and global installed footprint, while smart kiosks & terminals support our expansion into digital and intelligent self-service applications. Supported by our extensive installed base, consumables, spare parts and other products generate recurring revenue through replacement demand, maintenance and life cycle support. Together, these complementary product categories create an integrated equipment-and-services ecosystem that supports long-term customer relationships, recurring customer demand and the sustainability of our business.

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Our Market Opportunities

We are well positioned to capture opportunities in the global smart branch solutions, mission-critical smart branch solutions and financial smart printing and scanning equipment markets. According to Frost & Sullivan, the global smart branch solutions market reached approximately US\$80.0 billion in 2025 and is expected to grow to approximately US\$100.3 billion by 2030, representing a CAGR of approximately 4.6%. Within this market, the global mission-critical smart branch solutions market was approximately US\$48.2 billion in 2025 and is expected to increase to approximately US\$73.3 billion by 2030, representing a CAGR of approximately 8.8%. The global financial smart printing and scanning equipment market was approximately US\$134.0 million in 2025 and is expected to reach approximately US\$184.0 million by 2030, representing a CAGR of approximately 6.5%.

According to Frost & Sullivan, growth in these markets is supported by the increasing importance of business continuity, continued demand for reliable document and material handling, customers’ focus on long-term equipment operability and life cycle support, and the deployment of standardised solutions across broader geographic networks. Demand for financial smart printing and scanning equipment is further driven by paperless operations, workflow automation, equipment replacement and the adoption of integrated terminals. Asia-Pacific is expected to remain the largest regional market, with a market size of approximately US\$75.0 million in 2025 and an expected global share of approximately 59.0% by 2030, supported by its extensive bank branch network, increasing financial inclusion and the ongoing digital and intelligent transformation of physical branches.

OUR STRENGTHS

Global Market Leadership in Professional Financial Intelligent Printing Equipment

We hold a leading global market position in the professional financial intelligent printing and document processing equipment industry. Our products have been widely deployed in more than 54 countries and regions, with a large and stable installed base across global financial institutions, postal operators and public sector entities.

Based on cumulative shipments from 2016 to 2025, our installed base of mission-critical printing and scanning equipment reached 748,518 units. According to Frost & Sullivan, it represents approximately 4.9% of the relevant global installed base and ranking first in the industry; we ranked first globally in terms of revenue within the financial smart printing and scanning equipment market with a market share of approximately 10.1% in 2025. We also maintained leading market positions in key regions including Europe and the Asia-Pacific region. In the Asia-Pacific financial smart printing and scanning equipment market, we ranked first in terms of revenue in 2025 with a market share of approximately 9.9%. In the Europe financial smart printing and scanning equipment market, we ranked first in terms of revenue in 2025 with a market share of approximately 20.0%. Our extensive market penetration, proven track record in large-scale delivery and long-term presence in high-reliability scenarios enable us to consolidate our leading competitive position.

Proprietary Core Technologies and High Technical Barriers

We have developed a comprehensive proprietary technology platform covering precision mechanics, Magnetic Ink Character Recognition (“**MICR**”), anti-counterfeiting technologies and embedded control systems, enabling us to provide highly reliable intelligent printing and document processing solutions for mission-critical financial applications. For the patents we possess in relation to comprehensive proprietary technology platform, see “Appendix V Statutory and General Information – 2. FURTHER INFORMATION ABOUT OUR BUSINESS – B. Intellectual Property Rights – (c) Patents” in the document.

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Our precision mechanics and media handling technologies support the stable processing of complex financial documents, while our proprietary embedded firmware and control algorithms enable seamless integration with banking systems and customised deployment across different customer environments. Among our core technologies, MICR and anti-counterfeiting capabilities represent a key differentiator from ordinary office equipment. We have integrated MICR reading, and secure data processing directly into our devices, supporting both E13B and CMC7 international standards and enabling accurate document authentication, transaction verification and risk control.

These capabilities require a high degree of expertise in media transport stability, recognition accuracy, hardware-software integration and banking-system compatibility. Given the limited number of vendors capable of providing such end-to-end solutions, our proprietary technologies create significant barriers to entry and support our long-term competitive position in the financial intelligent printing and document processing market.

Extensive Global Distribution Network and Localised Operational Capabilities

We have established an extensive global sales and distribution network covering Asia, Europe, North America and other countries and regions. Through a dual-channel model comprising authorised distributors and direct sales to direct sales customers, our products have been distributed to more than 54 countries and regions, serving over 186 customers worldwide as of the Latest Practicable Date.

Our international platform combines broad market coverage with localised operational capabilities. In addition to maintaining long-term relationships with professional distributors across key markets, we have established subsidiaries in Hong Kong and Italy, which support regional business development, customer relationship management, technical support and operational coordination, enabling us to respond more efficiently to customer needs in overseas.

Our global network also supports cross-border contract execution, logistics coordination and after-sales services, backed by localised service arrangements and spare-parts support. We believe that our extensive international presence, established channel relationships and localised operating capabilities strengthen customer proximity, enhance market penetration and provide a competitive advantage in expanding our global business.

High Customer Loyalty and Significant Switching Costs

We have established long-term and stable relationships with our customers and distribution partners, with many of our major distributors maintaining business relationships with us for over ten years. Through our close collaboration with distributors, we continuously receive feedback regarding evolving end-user requirements, market trends and application scenarios. Leveraging such market insights, we continuously enhance product features, upgrade technologies and develop customised solutions to better address customer needs and support changing industry requirements.

Our products are often integrated into operational workflows of end users in the banking and financial sector. Our ongoing provision of customised firmware, technical support, spare parts and life cycle services further enhances our customers and end users retention, as replacing existing suppliers may involve additional implementation costs, operational adjustments and system integration efforts. We believe that our long-standing customer relationships, customer-driven innovation model and deep operational integration contribute to high customer loyalty and significant switching costs.

Vertically Integrated Intelligent Manufacturing and End-to-End Operational Control

We operate a vertically integrated intelligent manufacturing base in Zhuhai, China that covers precision processing, SMT, print head production, final assembly and full-process quality testing. This integrated layout enables us to maintain direct control over the entire production chain from core components to finished products. Self-production of key components and modules supports strict quality control, higher production efficiency, improved cost effectiveness and more reliable delivery. We have

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implemented lean production, full-process traceability and stringent international-standard quality management systems to further guarantee consistent performance and high reliability demanded by professional financial scenarios. Our high level of internal production reduces dependence on external suppliers, mitigates supply chain risks and enhances supply chain resilience, while enabling shorter production cycles, faster order response and stable fulfilment of large-scale orders. Such end-to-end control over production and quality assurance strengthens our overall operational competitiveness and customer trust, laying a solid foundation for our sustainable global business expansion.

Experienced and Stable Senior Management Team with Deep Industry Expertise

Our experienced and stable management team possesses deep industry expertise and extensive international business experience. Our executive Directors and senior management have an average of over ten years of industry experience and have served the Group for many years, ensuring continuity in strategic execution and business development. Our chairman and executive director, Mr. Zheng Xiaohui (鄭曉暉), has led the Group since its establishment and oversees international operations, while key management members possess over 20 years of experience in the financial equipment and electronics industries. Certain senior executives previously held leadership positions at established financial equipment enterprises, bringing extensive market insights and industry resources. Our experienced leadership team enables us to capture market opportunities, strengthen customer relationships and support our long-term growth strategy.

OUR STRATEGIES

Strategic Transformation into an Integrated Digital & Intelligent Solution Provider

We will implement a comprehensive strategic transformation from a traditional hardware-focused manufacturer to an integrated digital and intelligent solution provider serving the global financial printing industry. We will develop and deliver an integrated business model covering hardware, firmware, software and services, and build a connected industry ecosystem as we shift our core business logic from simple product sales to scenario-based and value-driven solutions. We plan to accelerate the promotion of cashless self-service terminals, intelligent printing solutions and other emerging businesses, with the aim to significantly improve their revenue contribution over the next three to five years. In the long run, we will fully align our product and service capabilities with the digital transformation needs of financial institutions worldwide, thereby enhancing the sustainability, stability and profitability of our business.

Enhancing Our R&D Investment and Technology Innovation

We will continue to invest in research and development to strengthen our technological capabilities and support the long-term competitiveness of our products and solutions. As industry demand increasingly shifts toward quieter operation, higher output quality and broader media compatibility, inkjet printing is emerging as an important technology direction for specialised printing applications. Non-impact printing technologies, particularly inkjet printing, have established application foundations in passport, certificate and booklet personalisation scenarios and are expected to gradually penetrate financial, postal and government service environments.

In line with this trend, we have initiated the development of a next-generation multifunctional printing and scanning device based on inkjet technology and will further develop and commercialise our MB2 Inkjet Printer as a high-performance alternative to traditional impact printers (dot matrix printers). According to Frost & Sullivan, compared with conventional dot matrix printing, inkjet technology offers significantly faster printing speeds, as well as lower noise levels, helping reduce customer waiting time and improve the working environment in bank branches. Through the adoption of inkjet-based solutions, we aim to help end users in financial sector lower operating costs, enhance customer experience and support their digital transformation initiatives. We believe these products will create additional opportunities in branch automation and productivity enhancement while further strengthening our competitive position in specialised printing markets. We will also advance the intelligent upgrading of our core product portfolio and strengthen our proprietary technology and firmware development capabilities to improve product performance, reliability and adaptability across diverse application scenarios.

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Expansion into High-Value Application Scenarios

We will actively expand and upgrade our presence in high-value and high-growth application scenarios, including high-end intelligent finance, advanced government services, digital office and border control, to create new and sustainable growth engines. We will launch more integrated intelligent devices integrating professional printing, scanning, identification and interaction functions to satisfy the multi-functional and automated operational needs of banks and government entities, and to support the ongoing digital transformation and intelligent upgrading of financial and public service environments.

We will further promote the application of our proprietary EMR interaction technology in digital office and intelligent interaction scenarios. We will also develop identity security and document verification products to penetrate into border control, government services and compliance-related markets. In addition, we will accelerate the commercialisation of cashless self-service terminals, intelligent counters and other automated financial equipment to capture market opportunities arising from the intelligent upgrading of global banking outlets.

Vertical Integration of the Industrial Chain

We will deepen the vertical integration of our industrial chain to strengthen supply chain control, improve operational efficiency and optimise cost structure. We will increase the independent research and development and self-production ratio of key high-value components, thereby reducing reliance on external suppliers, enhancing supply chain stability and improving gross profit margin. We will further optimise production processes, quality management systems and production efficiency through intelligent manufacturing and lean management. By strengthening control over core links of the industrial chain, we aim to enhance our comprehensive anti-risk capability, ensure stable delivery capacity and support sustainable business expansion globally.

Steady Globalisation and Expanding to Overseas Market Penetration

We intend to continue strengthening and consolidating our presence in overseas markets and further expand our global market influence through enhancing cooperation with local partners, optimising our product offerings and improving our overseas operational capabilities. We plan to focus on emerging markets along the Belt and Road Initiative, including South Asia, Southeast Asia, Africa and UAE, where we seek to capture growth opportunities arising from increasing demand for professional financial intelligent printing and document processing solutions.

To support our overseas expansion, we will continue to deepen collaboration with local distributing partners, while enhancing our product adaptation capabilities to better address local customer requirements and local industry trends. We also plan to explore the establishment of localised SKD and CKD assembly, technical support and service capabilities in overseas markets, with the aim of improving delivery efficiency, reducing logistics costs and enhancing customer responsiveness. Through these initiatives, we believe we can strengthen customer relationships, increase global market share and further enhance our long-term competitiveness in the global market.

OUR PRODUCTS

Positioned as a global industry leader in professional financial intelligent printing and document processing equipment, our product portfolio is structured into three categories: (i) mission-critical specialised printers and all-in-one printing & scanning equipment, (ii) smart kiosks & terminals, and (iii) consumables, spare parts and other products.

We offer mission-critical specialised printers and all-in-one printing & scanning equipment that handle passbooks, cheques, multi-copy forms and other financial media, with integrated magnetic stripe read/write, auto-alignment and thickness adaptation for secure, stable operation in bank counters and self-

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service terminals. We also provide intelligent information collection, human-computer interaction, self-service terminal integration and full-life cycle support to deliver high stability, strong compatibility and scenario-specific adaptability for finance, retail, public services and other demanding sectors.

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

	Year ended December 31,			
	2024		2025	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Mission-critical specialised printers and all-in-one printing & scanning equipment	120,674	84.4	112,050	85.2
Smart kiosks & terminals	8,105	5.7	5,216	4.0
Consumables, spare parts and other products	14,164	9.9	14,249	10.8
Total	142,943	100.0	131,515	100.0

During the Track Record Period, the majority of our revenue was generated from the sales of mission-critical specialised printers and all-in-one printing & scanning equipment. For detailed analysis of our revenue by product categories, please refer to “Financial Information – Description of Consolidated Statements of Profit or Loss and Other – Revenue – Revenue by goods type” in this document.

Our revenue may fluctuate from period to period, and there can be no assurance that our revenue will grow or remain stable in the future, as our operating results and business performance are subject to various factors. For details on the risks relating to our future performance, see “Risk Factors – Risks Relating to Our Business and Industry – A significant portion of our revenue is derived from international markets and we are therefore subject to any material adverse changes to these markets.” and “– Our sustainable growth depends on effective development and optimisation of global sales network and customer relationships.”

Mission-critical specialised printers and all-in-one printing & scanning equipment

Mission-critical specialised printers and all-in-one printing & scanning equipment represent our main product line and largest revenue contributor. According to Frost & Sullivan, “mission-critical” refers to solutions that must maintain high reliability and service continuity, as disruptions may directly affect essential customer services, transaction processing or regulatory compliance. Our mission-critical specialised printers and all-in-one printing & scanning equipment consists of four product series including PR2 Plus, PR9, MB2 and PR4 Series. Engineered for long-life, high-stability and continuous operation in professional environments, being capable of processing a wide spectrum of media types, including passbooks, bills, vouchers, receipts, cheques and multi-copy documents, our mission-critical specialised printers and all-in-one printing & scanning equipment are designed to address the rigorous demands of financial institutions, retail networks and service outlets.

For the year ended December 31, 2025, the revenue generated from the products of the PR2 Plus, PR9, and MB2 Series amounted to RMB108.7 million representing 82.6% of total revenue generated from our mission-critical specialised printers and all-in-one printing & scanning equipment. These products are designed and developed for the application in financial institutions. Anchored by the PR2 Plus, PR9, and MB2 Series products, we have built a well-structured and progressively advanced professional financial printing equipment product matrix, covering all scenarios from traditional counters to digital branches. Specifically: (i) the PR2 Plus, our flagship financial passbook and document printer, is one of our core

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products and has been supplied to customers in multiple countries and regions; (ii) the PR9, our adaptive financial printer launched for the high-end market, is designed for large-scale, high-volume processing scenarios such as banking transaction and financial document processing; and (iii) the MB2, an intelligent terminal integrating high-speed printing, high-definition duplex scanning, financial document recognition, security verification, and data acquisition, supports our strategic transformation initiatives.

The PR2 Plus

The PR2 Plus is a professional printer designed for bank teller and front-office scenarios, handling complex financial media such as single-page, plus 6 multi-copy documents, and passbooks. When a user inserts a passbook or document, the PR2 Plus adjusts printing parameters via an automatic alignment and thickness monitoring system, then prints at a maximum speed of 660 characters per second using a new-generation print head, supporting magnetic stripe reading and MICR reading. The PR2 Plus is equipped with a long-life 24-pin print head designed to last the entire machine's lifespan, capable of handling a workload of over 300 transactions per day under standard usage conditions.

Unmatched Market Leadership and Proven Performance

The PR2 Plus has been widely deployed across global financial institutions, firmly securing its position as the comprehensive, stable, and highly productive passbook printer in the banking automation industry. It has been deployed in critical environments across leading European banks, and demonstrated its industry benchmark for reliability and performance under high-intensity transaction volumes.

Product Versatility Across Regions and Scenarios

Beyond its exceptional performance, the PR2 Plus offers remarkable product flexibility. It can be configured with various options and customised firmware (FW) versions to meet diverse end-user requirements across different regions and application scenarios. In South Asia and Central Asia, PR2 Plus with different configuration have been supplied at a volume exceeding 30,000 units during the Track Record Period, supporting dual USB port shared printing to enable seamless connectivity and printer sharing among multiple workstations in high-density teller environments.

Industry Benchmark Solution

With its combination of unmatched installed base, field-proven reliability, flexible configuration options, and high-volume deployment track record across Europe, South Asia, and the Middle East, the PR2 Plus stands as the industry benchmark product for financial institutions seeking to standardise their teller printing operations while minimising total cost of ownership and maximising operational productivity.

Our PR2 Plus is generally designed for a 5-year lifespan under standard use conditions. The price range of our PR2 Plus printers is from US\$198 to US\$400 during the Track Record Period.

Product showcase	Specification	Features
PR 2 Plus 	- Maximum printing speed: 660 cps - MTBF: 10,000 h - Noise Level: <52 dBA	- Automatic paper feeding, automatic alignment, automatic thickness monitoring - Designed specifically for bank counters and front-end office use - Multi-simulation compatibility, supports customisation - One of the smallest and quietest models in its product class

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The PR9

The PR9 is a high-end specialised printer designed for banking transactions and financial services, and is one of the most competitive products in the market at present. It is capable of handling a wide range of document formats and thicknesses, including single sheets up to A4 size, passbooks, vouchers, tickets, and multi-copy forms. Beyond its core handling capabilities, the PR9 features an adaptive paper path mechanism that automatically adjusts to different media types and conditions, minimising paper jams and misalignments even when handling worn or deformed passbooks. Its lightweight and compact design enables easy integration into space-constrained teller counters and self-service kiosks, while reducing shipping costs and simplifying on-site deployment. The combination of adaptive intelligence and mechanical simplicity translates into lower maintenance requirements and higher operational uptime for financial institutions. Our PR9 is generally designed for a 5-year lifespan under standard use conditions. The price range of our PR9 printers is from US\$214 to US\$570 during the Track Record Period.

Product showcase	Specification	Features
PR9 	- Maximum printing speed: 570 cps - MTBF: 10,000 h - Noise Level: <54 dBA	- Automatic paper feeding, automatic alignment, automatic thickness monitoring - Designed specifically for banking transactions and financial services - Supports original documents + 6 copies, meeting the needs of multi-copy printing of financial documents - Low cost of ownership, superior document handling capabilities, easy integration

Case Study

PR9 is our high-end product model designed for customers requiring advanced functionality and customised solutions. Benefiting from its hardware configuration and customised firmware capabilities, PR9 has established a presence in Hong Kong and Taiwan, China and has maintained relatively stable pricing.

In Hong Kong, PR9 has been deployed within the branch network of a prominent PRC state-owned bank, demonstrating its ability to support the operational requirements of financial institutions. In Taiwan, China, PR9 has been adopted by customers, with procurement volumes generally ranging from approximately 3,000 to 5,000 units during the Track Record Period. To meet local operational requirements and banking workflows, we have developed customised firmware tailored to customer needs, which requires continuous R&D investment and technical expertise. Such localisation efforts have enabled us to maintain long-term relationships with customers in the region.

Our experience in serving customers in Hong Kong and Taiwan, China has enabled us to accumulate expertise in language support, transaction workflow integration and compatibility with local clearing systems. Through continuous investment in product development and localisation, we seek to enhance customer satisfaction and strengthen our relationships with customers in these markets. The accumulated know-how and ongoing customisation capabilities associated with PR9 contribute to our competitiveness and support the sustainable development of our business in the relevant regions.

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The MB2

The MB2 is an integrated universal printer designed specifically for bank front offices. With its ultra-compact dimensions and extensive functional integration, the MB2 significantly simplifies front-office equipment deployment and supports new applications at bank branches. As an ideal tool for document platform solutions, the MB2 enables tellers to capture text and images directly. Optional features include optical character recognition (OCR) and magnetic code line recognition (MICR), among others. Furthermore, the MB2 is fully compatible with existing applications currently running on the PR2 series printers, allowing customers to achieve seamless equipment upgrades without replacing their underlying systems. Our MB2 is generally designed for a 5-year lifespan under standard use conditions. The price range of our MB2 printers is from US\$286 to US\$683 during the Track Record Period.

Product showcase	Specification	Features
MB2 	- Maximum printing speed: 660 cps - MTBF: 10,000 h - Noise Level: <54 dBA	- A4 duplex scanner, black/white, greyscale and colours up to 600 dpi 24-dot matrix printer with auto-border and auto-alignment - Three-port USB 2.0 HUB, including a front-facing port - Operator display for machine messages and application messages

Case Study

One representative deployment of MB2 is its application in the branch modernisation initiative undertaken by a leading postal service operator in Italy (“**Italian Customer**”). During the Track Record Period, we supplied MB2 devices to support the ongoing upgrade of branch network of the Italian Customer, with delivery volumes generally ranging from approximately 2,000 to 4,000 units. MB2 was selected in part due to its compatibility with applications previously deployed on our PR2 platform, enabling the customer to upgrade branch workstations while minimising modifications to existing software systems and operational processes. MB2 integrates multiple functions, including document scanning, OCR and MICR processing capabilities, which support the digitisation of paper-based transactions within branch operations. Through these functionalities, MB2 assists customers in enhancing operational efficiency and facilitating workflow digitalisation initiatives.

Our experience serving the Italian Customer demonstrates our capability to provide products that support large-scale deployment across extensive branch networks and to deliver solutions tailored to customers’ operational requirements. The project has also enabled us to accumulate experience in supporting financial institutions and postal service operators undergoing branch modernisation and digital transformation.

Smart kiosks & terminals

Beyond our core pillar of mission-critical specialised printers and all-in-one printing & scanning equipment, we have been proactively developing our smart kiosks and terminals product line as a new growth engine. Our development strategy follows a dual approach: (i) financial service kiosks, which leverage our existing customer base and deep domain expertise in financial printing equipment to expand horizontally within the banking sector, offering smart terminal solutions that address the digital transformation needs of the same financial institutions we already serve; and (ii) Universal self-service kiosks targeting broader markets such as government, retail and community applications, can provide convenient services such as identity verification, bill payment, and card recharge. This dual-pronged strategy allows us to capture growth both within and beyond the banking sector. The selling prices of our smart kiosks ranged from US\$765 to US\$3,217 in 2024 and 2025.

BUSINESS

	Financial Service Kiosks	Universal Self-Service Kiosks
Product Model/Series	Smart Banking Kiosk, Cheque Deposit Kiosk, Passbook Updating Kiosk, PY728M, PY7763	Smart Self-Service Kiosk Omni, Self-service Terminal, Wall-Mounting Kiosk
Key Functions	Automatic passbook updating, Automated cheque processing, Data encryption and real-time synchronisation banking system	Biometric verification, Self-checkout, Bill payment, Invoice printing
Deployment Scenario	Bank self-service area	Government service hall, Retail outlets, Community convenience stores
Typical End Customers	Banks	Government, Property management company, Chain retail convenience store
Key Differentiator	Handle bank-specific transactions (passbooks, checks)	Handle general self-services (payment, inquiry)

Sample Image



BUSINESS

Financial Service Kiosks

Our financial service kiosks are designed to support the digital transformation of financial institutions. They fall into two primary usage scenarios:

- **Counter-based interactive terminals** (the PY728M and PY7763) are deployed at service counters of the financial institution to enable electronic signatures, identity verification, and paperless workflows through teller-customer collaboration. The Counter-based interactive terminals are equipped with 10 inches screen, the device supports the display of all kinds of information including bank teller ID, the transaction information, as well as advertisement. In addition, they provide rich functions including E-signature, password input, service comments, and multimedia display, etc.
- **Self-service banking kiosks** (the Smart Banking Kiosk and Cheque Deposit Kiosk) are customer-operated, unattended devices engineered for core banking scenarios including passbook updating and cheque deposit. Leveraging our integrated printing, scanning and secure code recognition technologies, these kiosks feature secure code reading, encrypted identity verification, real-time banking system integration, automated document handling and secure data encryption. Widely deployed in bank branches and self-service zones, they reduce counter pressure, shorten waiting periods and improve overall service efficiency.

Universal self-service kiosks

Universal self-service kiosks are versatile, customer-operated terminals engineered for government, retail, petrol station and commercial scenarios. Leveraging modular integration technologies and standardised interfaces, they support flexible configuration of identity verification, self-service checkout, bill payment, invoice printing, scanning, card reading and other functions. Featuring industrial-grade reliability, high compatibility and remote management, these kiosks serve as general-purpose self-service hubs, reducing equipment costs and improving operational efficiency across diverse public and commercial settings.

As an extension of our counter-based interactive terminal offerings, we have developed the Benmi Stylus, an active stylus leveraging our proprietary passive electromagnetic resonance (EMR) technology. Powered by a standard AAA battery with a battery life of up to 18 months, the Benmi Stylus offers economical and convenient long-term use. It supports high-precision handwriting, pressure sensitivity, and palm rejection, delivering a natural pen-on-paper writing experience. The Benmi Stylus is compatible with a wide range of mainstream computing devices, including selected models from Dell, HP, ASUS, Acer and Microsoft Surface series and is widely adopted in financial and government scenarios requiring secure, reliable electronic signature capture.

Consumables, spare parts and other products

Supported by our proprietary material and structural technologies, our consumables and spare parts ensure full compatibility, high durability and stable performance for our products. Our consumables, spare parts and other products serve as critical supporting components for our mission-critical specialised printers and all-in-one printing & scanning equipment and smart kiosks & terminals, forming a closed-loop ecosystem of equipment, proprietary consumables and spare parts. Together with our two major product categories, we provide a full-chain solution covering equipment procurement, daily operation and maintenance, addressing customers’ needs for stable performance, cost efficiency and convenient replacement throughout the full equipment life cycle.

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Original Consumables

We provide a full range of printing lifespan specifications to match low, medium and high-volume business scenarios. These consumables are fully compatible with the PR2 Plus, PR9, MB2 and PR4 Series, as well as the smart banking kiosk equipped with an internal printer, effectively eliminating equipment damage or performance degradation caused by non-original consumables.

Featuring high wear resistance and low breakage rates, our original consumables reduce replacement frequency and maintenance costs. Their deep compatibility with our equipment ensures stable and continuous operation in financial counters, 24-hour self-service terminals and other mission-critical scenarios.

Spare Parts and Others

We provide spare parts covering core components and peripheral accessories for our entire product portfolio, including print heads, scanner modules, paper feeding rollers and sensors. Manufactured in accordance with original equipment quality standards, these spare parts maintain consistent technical specifications with factory components to ensure reliable performance after replacement. We also provide customised spare part based on customers’ usage frequency and application scenarios, supporting both bulk procurement and on-demand distribution.

Key Operating Data

The following table sets forth our sales volume and average selling price (ASP) of our major product categories during the Track Record Period.

	Year ended December 31,			
	2024		2025	
	Sales volume	ASP	Sales volume	ASP
	Units	RMB	Units	RMB
Mission-critical specialised printers and all-in-one printing & scanning equipment	61,722	1,951.1	57,984	1,930.2
Smart kiosks & terminals	2,557	3,205.0	5,460	961.6
Consumables, spare parts and other products	611,386	23.4	717,822	20.0
Total	675,665		781,266	

Mission-critical specialised printers and all-in-one printing & scanning equipment. The ASP of our mission-critical specialised printers and all-in-one printing & scanning equipment decreased slightly in 2025. Such decrease mainly attributable to changes in product mix and more competitive pricing strategies adopted in certain markets to support business expansion. The sales volume decreased from 61,722 units in 2024 to 57,984 units in 2025. The decrease in sales volume primarily due to reduced demand from certain customers, order delays in certain overseas markets and the contraction of certain product series, offsetting the growth in sales volume of products series.

Smart kiosks & terminals. The sales volume of our smart kiosks & terminals increased in 2025 primarily due to the expansion of the BP magnetic card device deployment and continued demand of the self-service terminals, while the ASP of our smart kiosks & terminals decreased significantly in 2025 primarily attributable to a significant shift in product mix towards lower-priced BP magnetic card devices and a higher proportion of such products in overall sales, together with pricing adjustments in certain markets.

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Consumables, spare parts and other products. The ASP of our consumables, spare parts and other products decreased in 2025 primarily due to intensified market competition in certain regions, which led to lower product selling prices. The sales volume increased primarily due to growing sales of proprietary chip-managed specialised consumables in countries such as Pakistan and Thailand.

We are implementing below strategies to maintain competitiveness both locally and internationally:

Scalable Production and Supply Chain Localisation. We continuously optimise our production processes through scalable manufacturing techniques and lean management practices, enabling us to reduce production costs while maintaining consistently high quality standards. In addition, through our collaboration with overseas distributors, we are able to localise after-sales services and to better serve regional markets. We are also progressively upgrading our manufacturing facilities by introducing advanced production lines, further enhancing operational efficiency.

Flexible Pricing Strategies. We have adopted flexible pricing strategies to strengthen our value proposition. By leveraging entry-level products, we seek to attract a wider customer base, while concentrating our higher-end offerings on profitability. In response to diverse customer needs and budget levels, we have consistently introduced new product series, including the MB2 plus, MB 2 in-jet and auto-turn page mechanism, with price points ranging from approximately US\$800 to US\$860 per unit. This strategy positions us to further extend our product portfolio into both lower-priced and higher-priced segments. Looking ahead, we will continue to refine our brand positioning, with ongoing emphasis on user experience and the enhancement of marketing efficiency.

Strengthening Core Technology Self-Sufficiency. We continue to invest in the research and development of core components, including print heads, control boards and embedded firmware, with a view to enhancing our technological capabilities and supporting the development of our products. Through the in-house development and manufacturing of certain key components, we are able to maintain greater control over product design, quality management and product iteration processes. Our capabilities in developing core components also enable us to better align product specifications with customer requirements and support the customisation of products for different markets and application scenarios. In addition, such capabilities help us manage supply chain risks associated with certain key components and support the stability of our product development and manufacturing activities.

According to Frost & Sullivan, the average selling prices of our products are in line with our market peers.

RESEARCH AND DEVELOPMENT

Our research and development efforts are in line with our three product categories: (i) mission-critical specialised printers and all-in-one printing & scanning equipment, (ii) smart kiosks & terminals, and (iii) consumables, spare parts and other products. Substantially core functions, modular architectures, print head technologies, scanning algorithms, passive electromagnetic writing modules and embedded firmware of our products are derived from our in-house R&D achievements.

As of December 31, 2025, our R&D team consisted of 11 dedicated talents with industry expertise, who play a critical role in the research and development of our products by driving product innovation, technological advancement, and the continuous enhancement of our product offerings. We adhere to a customer-oriented R&D philosophy, with all our R&D initiatives designed to accurately meet the functional and operational requirements of financial, retail and public service scenarios. We have established a standardised full-process R&D system and independently developed a comprehensive core technology system that directly supports the performance, reliability and compatibility of our full product portfolio.

We invested significant resources into the R&D of our products and technologies. In 2024 and 2025, our total R&D expenses amounted to RMB8.9 million and RMB11.7 million, respectively.

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R&D Team

As of the Latest Practicable Date, our R&D team comprises 11 members, including 9 members based in PRC and 2 members based in Italy. Core members possess an average of more than ten years of industry experience with professional qualifications including Senior Engineer, PMP, MSP Foundation and Microsoft Certified System Engineer. We maintain a complete talent echelon of technical experts, backbones and reserve engineers to support continuous product iteration.

Implementation of Our R&D Procedures

Our R&D process comprises six key stages: (i) project initiation, (ii) solution design, (iii) detailed design, (iv) prototype development, (v) testing and evaluation, and (vi) productisation. The process is supported by standard operating procedures, technical templates and internal guidelines. Senior management and the technical leadership team monitor, review and approve deliverables at key milestones. To ensure seamless integration between R&D and other functions, we have established cross-departmental collaboration mechanisms involving product, marketing, manufacturing, quality assurance and supply chain teams.

Technology System and Product Application

We have developed robust in-house R&D capabilities and built a substantial portfolio of proprietary technologies. Our technology architecture encompasses a range of foundational fields, including mechanical design, electronic systems, and firmware.

Precision mechanics and media handling technology

We have developed an integrated suite of precision mechanics and media processing technologies that form the foundation of our high-reliability financial printers. This suite encompasses three core capabilities: (i) long-life dot-matrix print head design (including 24-pin and 9-pin configurations), enabling high-speed printing, bidirectional logic seeking and extended operational life; (ii) flat paper path design, which reduces paper bending and jam risks while supporting passbooks, multi-copy forms, cards and other complex media; and (iii) automatic skew correction and positioning technology, which utilises sensors to detect paper edges and entry positions, enabling automatic alignment, edge finding and precise print positioning without manual intervention.

In the financial industry, printing equipment is a mission-critical operational tool. Banks, post offices and other financial institutions process thousands of passbooks, cheques and multi-copy vouchers daily, requiring printers to operate continuously under high-intensity workloads with near-zero downtime. Print head failure, paper jams or print misalignment during a teller transaction can lead to service interruption, customer queue buildup and operational inefficiency.

Our precision mechanics and media processing technology directly addresses these pain points:

- (i) The long-life print heads are engineered to endure years of heavy-duty use without frequent replacement, reducing maintenance costs and service disruptions for our customers. The high-speed printing control enables rapid transaction processing, improving teller productivity and reducing customer waiting time.
- (ii) The flat paper path design minimises paper bending and jams, ensuring stable handling of passbooks, multi-ply forms, cards and other non-standard media that generic printers cannot reliably process. It supports thick media such as passbooks and passports, and one-plus-six ply carbonless printing, fully satisfying the diversified media processing demands of financial counters.

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- (iii) The automatic skew correction and positioning technology eliminates the need for manual document alignment, allowing tellers to insert documents without precise positioning while ensuring accurate print output every time. This reduces operator error, accelerates transaction speed and enables unattended self-service applications.

For financial institutions, every printed passbook and cheque must be accurate, legible and reliably processed. Our integrated precision mechanics and media processing technology ensures that our printers deliver consistent, high-quality output over their entire service life, providing the operational stability, media flexibility and low total cost of ownership that financial customers demand.

Magnetic Ink Character Recognition (MICR) and Micro-Perforation Anti-Counterfeiting Technology

In financial institutions, cheques remain a critical payment instrument that carries sensitive clearing information, including account numbers, routing data, and cheque amounts. A standard cheque contains magnetic ink characters printed along its baseline, encoded in either E13B or CMC7 format, which are machine-readable for automated processing. In addition, high-security cheques incorporate microscopic perforation patterns (MICR HOLE) as an advanced anti-counterfeiting feature, making unauthorised replication extremely difficult.

For a financial printer or document processing device to be fully effective at a bank teller counter, it must be able to read the magnetic ink characters from a cheque, authenticate the cheque’s validity (including micro-perforation verification), and process the transaction. By integrating MICR reading and secure data transmission directly into our printers, we eliminate the need for external devices, enabling tellers to complete cheque-based transactions on a single machine. For the patents we possess in relation to our MICR and micro-perforation anti-counterfeiting technology, see “Appendix V Statutory and General Information – 2. FURTHER INFORMATION ABOUT OUR BUSINESS – B. Intellectual Property Rights – (c) Patents” in the document.

Our MICR and micro-perforation anti-counterfeiting technology is implemented through a combination of specialised hardware modules and embedded firmware:

MICR reading for cheque processing: We integrate a dedicated MICR reading module into the printer’s paper path. When a cheque is inserted, the device automatically transports the document and reads the magnetic ink characters using high-precision magnetic sensing. Our MICR module supports both international standards – E13B (used in the United States, Canada, the United Kingdom, and other regions) and CMC7 (predominantly used in Europe, Latin America, and elsewhere) – ensuring global compatibility across different financial institutions.

MICR HOLE micro-perforation anti-counterfeiting: In addition to standard MICR reading, our technology incorporates MICR HOLE for advanced cheque authentication. This feature identifies microscopic perforation patterns embedded in cheques, which are virtually impossible to replicate with conventional printing or copying equipment, adding an essential layer of security for cheque-based transactions.

Proprietary Embedded Control Technology

This technology is principally applied to our full series of printers and smart kiosks & terminals as the core control system. We develop proprietary embedded firmware, control algorithms and multi-emulation compatibility, enabling high integration, low power consumption and stable connection with mainstream host systems.

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Beyond our standard firmware platform, we provide customised firmware development tailored to the specific requirements of individual banks and financial institutions. Our engineering team works closely with customers to understand their unique transaction workflows, security policies, printing formats, and host system interfaces. Based on these requirements, we develop and deploy dedicated firmware versions that optimise device behaviour for each customer's operational environment.

In addition, our firmware supports over 70 languages, including complex character sets such as Chinese, Japanese, Arabic, Thai, Vietnamese, and Cyrillic-based languages. This extensive language coverage enables seamless deployment of our printers and terminals in diverse geographical markets, ensuring that bank tellers and self-service users can interact with the devices in their local languages without additional software development or system modifications.

Third-Party R&D Collaboration

Beyond our in-house R&D, we actively collaborate with entity engaging in research and experimental development during the Track Record Period. Our third-party cooperation partner during the Track Record Period include a high-tech enterprise incorporated in Guangzhou, with whom we cooperate to develop the passbook page-turning module.

We generally enter into research and development agreements with the third-party R&D cooperation partners on a project-specific basis. The agreement is structured to protect our intellectual property, ensure regulatory compliance, and align incentives toward successful development outcomes. Key terms commonly included in the research and development agreement entered into by and between us and our third-party R&D cooperation partner are summarised below:

- **Term.** Development agreements are project-specific rather than recurring framework arrangements. If our partners fail to deliver a conforming prototype within three months beyond the agreed timeline, we may terminate and demand a full refund.
- **Payments.** We make payments in installments based on milestones. Each payment is linked to a milestone delivery, and we typically conduct acceptance checks on interim results.
- **Intellectual property rights.** We secure ownership of intellectual property generated under our development agreements. Depending on the specific terms negotiated with each partner, the IP arising from a project may be jointly owned by both parties or exclusively owned by us.
- **Confidentiality.** We secure stringent confidentiality commitments from our partners, requiring the protection of all our proprietary information, with these obligations often extending indefinitely beyond the term of the agreement.
- **Quality assurance.** We require our partners to adhere to agreed technical specifications. If deliverables fail acceptance, the developer must rectify defects free of charge.
- **Allocation of liability.** Our partners are responsible for ensuring non-infringement of third-party patents and must resolve any patent disputes arising from the deliverables.

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RAW MATERIAL PROCUREMENT

During the Track Record Period, our raw materials primarily consisted of motors, printed circuit boards, power supplies, plastic materials, metal structural parts, electronic components and packaging materials, the substantial majority of which were sourced from China.

We typically engage reputable suppliers to ensure product quality. When selecting suppliers, we consider a comprehensive set of factors, including technological expertise, product quality after-sales service and commercial reputation. We also conduct periodic supplier reviews to assess their performance in multiple aspects including quality of deliverables, timeliness of delivery, price and service. In addition, we implement measures to continuously monitor final product quality. See “– Quality Control” for details.

Our procurement team is primarily responsible for formulating procurement plans based on the anticipated sales forecast and master production schedule provided by our sales and marketing team, which are used by our purchasing personnel to coordinate with suppliers in order placing. After that, delivered materials undergo our quality inspection before being accepted, processed and stored.

We generally enter into framework agreements with our raw material suppliers, which set forth the general terms and conditions of purchase.

- *Term, Renewal and Termination.* The framework agreement usually includes an automatic renewal mechanism, under which the agreement remains in force from the effective date and continues to be valid unless and until a new agreement is signed by both parties.
- *Product specifications.* We generally specify quantity, price, specification, delivery timeline, and other detailed contractual terms in the purchase orders we send to our suppliers. Suppliers are required to comply with our agreed specifications, drawings and quality standards. Suppliers are fully liable for quality defects, non-compliance and any related losses.
- *Minimum Purchase Commitment.* We have not entered into any minimum purchase commitment arrangements with suppliers for fixed purchase volume requirements over specific periods.
- *Pricing and Payment.* We generally provide for payments based on mutually agreed prices specified in the purchase order. We are generally granted a credit period of 30-90 days for the payments.
- *Delivery and logistics.* Our suppliers are typically responsible for the delivery of products to our specified locations in the purchase orders.
- *Inspection and returns.* Product inspection shall be carried out within the specified period upon delivery. We have the right to return defective materials that fail to meet agreed quality standards, and the supplier shall provide remedies, including returns and/or exchanges.

We verify the legitimacy and compliance of material sources and do not use materials from illegal or non-compliant sources.

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Our raw material prices fluctuate due to a variety of factors, including supply and demand dynamics, our ability to negotiate prices with suppliers and other factors. We usually work with multiple suppliers to reduce risks associated with product supply. During the Track Record Period, we did not experience any significant shortages of raw material supplies, and the raw materials provided by our suppliers did not have any significant quality issues. During the Track Record Period and as of the Latest Practicable Date, we had not experienced any material breach of the agreements with our raw material suppliers, nor had there been any material disputes between us and such suppliers.

PRODUCTION

During the Track Record Period, we maintained in-house production of our core mission-critical specialised printers and all-in-one printing & scanning equipment, as well as key components such as print heads, PCB assemblies and precision mechanical parts, at our vertically integrated Zhuhai manufacturing base. For non-core items, including certain structural and electronic components, and the majority of our smart kiosks & terminals, we engaged third-party manufacturers due to considerations of production efficiency, capacity constraints and overall economic viability. Under these outsourcing arrangements, we supply the raw materials and technical designs where the third-party manufacturers perform the required processing. To ensure stable and safe production across both in-house and outsourced operations, we have established a comprehensive set of internal management systems, including production safety objectives, target management systems and a production safety accountability system.

Production Processes

Our production process consists of six main stages: (i) material preparation and picking; (ii) core module assembly; (iii) final assembly; (iv) testing and calibration; (v) quality inspection and packaging; and (vi) warehousing.

In the first stage, raw materials and components are stored in our warehouse and managed through a digital inventory system, which monitors stock levels and supports real-time allocation. Upon receiving production orders, materials are picked and delivered to designated production lines in accordance with the bill of materials.

The second stage involves the assembly of core modules, including mechanical frames, print head assemblies, paper feeding mechanisms, PBCA magnetic reading module and scanning module, each completed in dedicated workstations.

The sub-assembled modules are then integrated into complete units in the third stage, which focuses on the alignment, fastening and cable plugging of the printer, preparing the device for functional testing.

In the fourth stage, each unit undergoes comprehensive functional testing to verify printing accuracy, media handling (including passbook alignment and thickness adaptation), magnetic stripe reading and writing, and scanner operation where applicable. Performance calibration is conducted to ensure print quality, paper feeding consistency and overall system stability.

Finished units are further subject to appearance inspection, safety checks (including electrical safety and EM compatibility where required), and functional re-verification in the fifth stage. Qualified products are then packaged with accessories and user manuals in accordance with standard shipping protocols.

After packaging, finished goods are labeled and transferred to the finished goods warehouse in the final stage, awaiting distribution based on order dispatch schedules.

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Production Flow Chart

The following diagram illustrates the key stages of our production process for our products:



During the Track Record Period, we outsourced certain non-core production processes to third-party manufacturers to achieve optimal cost-efficiency. The outsourced production processes primarily included the manufacturing of certain structural and electronic components, and the majority of our smart kiosks & terminals. These processes are not considered core procedures or critical technologies, as our key competitive advantages lie in in-house capabilities such as print head design, embedded firmware development, precision mechanical assembly and system integration.

Production Equipment

We maintain a full set of self-owned production and testing equipment covering precision processing, modular pre-assembly, final assembly and quality inspection. Our equipment configuration is tailored to each workshop's requirements, featuring advanced performance, high automation and precision. Key equipment is either imported or high-end domestic, supporting our independent production of core components.

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The table below summarises our core production and testing equipment by workshop:

Workshop	Key Equipment
Hardware Workshop	25T-200T punching machines, grinders, milling machines
Injection Molding Workshop	6T-600T injection molding machines, CNC milling machines, EDM machines, hydraulic presses
SMT Workshop	Panasonic high-speed SMT lines, wave soldering and reflow equipment
Print Head Workshop	Laser welding machines, winding machines, pin insertion machines, performance testers
Assembly Workshop	Three assembly lines, calibration tools

All core production facilities are self-owned, and there are no ownership disputes or rights restrictions.

We have established a regular maintenance system, including daily patrol inspections by operators and daily inspections by operators and periodic maintenance performed as needed by our equipment management department. For core imported equipment, we follow manufacturers' after-sales standards for professional maintenance. During the Track Record Period, we experienced no significant production interruptions due to equipment failures, and all required maintenance was performed in a timely manner, ensuring operational continuity and stability.

We will adjust our equipment upgrade plans in response to market demand, technological developments and operational needs to ensure that our production capacity remains aligned with our scale and process requirements.

Production Facilities

Our production base is located in Zhuhai, China, situated on our self-owned land parcel with a land area of 16,665.0 sq.m. and a total gross floor area of 10,291.5 sq.m. We adopt an intensive, assembly line-oriented layout with adjacent workshops to facilitate efficient material turnover and minimise logistics bottlenecks.

We divide the production base into a core production area and a supporting facility area by function. The core production area covers the hardware workshop, injection molding workshop, SMT workshop and print head workshop, assembly workshop, and general warehouse, with each area having a clear functional positioning and equipment configuration highly matching the production process. The supporting facility area is mainly staff dormitories, which provide on-site living support for production personnel and ensure the stability of the production team and the continuity of production operations.

The key functions of each core production area are set out as follows:

- **Hardware Workshop:** Undertakes the processing, inspection and temporary storage of metal structural parts for all product categories, and realises efficient material turnover due to its adjacency to the general warehouse.
- **Injection Molding Workshop:** Undertakes the full-process processing of plastic structural parts and axle parts, with an independent mold maintenance and repair area.

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- **SMT Workshop and Print Head Workshop:** A core high-precision production area that carries out the processing and testing of PCB assembly boards and dot matrix print heads by function, with an independent dust-free area and a precision testing area.
- **Assembly Workshop:** Equipped with three professional product assembly lines to realise the integrated operation of modular pre-assembly, complete machine assembly, testing and packaging.
- **General Warehouse:** Responsible for the unified warehousing and distribution of raw materials, semi-finished products, outsourced standard parts and finished products, adopting a classified warehousing design to ensure the accuracy of material management.

Our production base is equipped with a full set of advanced production, manufacturing and testing equipment, enabling the full-chain independent production of core components and complete machines. The production capacity of each production link is allocated in a coordinated manner, which can support the simultaneous production of multiple product series and flexibly respond to market order demands.

Capacity and Utilisation Rate

Capacity allocation is fully aligned with the production demand of mission-critical specialised printers. Mission-critical specialised printers and all-in-one printing & scanning equipment represent our primary in-house manufactured products. Smart kiosks & terminals and consumables are primarily produced through outsourced contract manufacturing. For selected individual products, partial production procedures are supported by the coordinated operation of our SMT workshop and injection molding workshop.

The designed production capacity, actual output and capacity utilisation rate of each product category during the Track Record Period are set out in the following table:

	Year ended December 31,	
	2024	2025
Mission-critical specialised printers and all-in-one printing & scanning equipment		
– Designed production capacity (<i>unit</i>) (<i>note 1</i>)	87,500	87,500
– Actual production volume (<i>unit</i>) (<i>note 2</i>)	60,168	59,342
– Utilisation rate (%) (<i>note 3</i>)	68.8	67.8

Notes:

1. The designed production capacity is calculated on the basis of the statutory working days in the PRC, calculated as 250 working days per year, combined with the daily designed capacity and the number of production lines dedicated to each product category, with the planned equipment maintenance and reasonable shutdown days excluded.
2. The actual annual volume refers to the quantity of qualified products produced and inspected for each product category in the current year.
3. The formula for calculating the capacity utilisation rate of each of our product categories is as follows: the capacity utilisation rate equals the actual annual output in the same period divided by the designed production capacity in the same period and then multiplied by one hundred percent.

The production utilisation rate of mission-critical specialised printers and all-in-one printing & scanning equipment remained largely stable with minor fluctuations in 2025 as compared with 2024, primarily attributable to the dynamic balance between stable production capacity supply and corresponding order demand under our make-to-order production model. Our theoretical production capacity remained nearly unchanged over the two years due to fixed equipment service life and annual working day arrangements. The overall order volume only varied slightly by 0.9%, indicating steady operation of our production system.

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We believe that in case of increase in demand and hence purchase orders by our customers, we are able to interchange our production lines for different products at our Zhuhai production base or to cope with the increased demand of a particular product or business need in the future principally by way of (i) adjusting and streamlining the machinery and equipment; and (ii) adjusting the production staff with relevant assembling experience.

Product Life Cycle

Our product life cycle varies by product type. Our mission-critical specialised printers and all-in-one printing & scanning equipment have a relatively long-life cycle of five to eight years. This is attributable to the high reliability requirements of professional scenarios such as banking counters. During the Track Record Period, these products remained in the maturity phase with stable market demand. Our smart kiosks and terminals are subject to ongoing product upgrades and enhancements in response to technological developments and evolving customer requirements. Our consumables, spare parts and other products are supplied to support the operation, maintenance and replacement requirements of the related equipment, which may give rise to repeat purchases by customers.

Third-Party Manufacturers

During the Track Record Period, we procured certain structural and electronic components, as well as the majority of our smart kiosks & terminals and consumables, from third-party manufacturers, who manufacture such products in accordance with our designs and specifications. We conduct quality inspections before integrating these products or selling them under our brand. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage in the supply of such products. As of the Latest Practicable Date, we had no material disputes, litigation or intellectual property infringement claims against or with any third-party manufacturer in connection with such outsourced products.

We adopt procurement agreements with our third-party manufacturers, which set forth the general terms and conditions of purchase.

- *Term.* The procurement agreements we enter into with our third – party manufacturers generally do not have a fixed term. Besides, some procurement agreement may remain in force from the effective date and continue to be valid unless and until a new agreement is signed by both parties.
- *Quality Assurance and Compliance Responsibility.* Our third-party manufacturers are required to manufacture products in strict accordance with our technical specifications, quality standards, and applicable laws and regulations. They bear full liability for any quality defects or non compliance, and must maintain relevant certifications as agreed.
- *Pricing and Payment.* We generally are required to pay a deposit upon order placement with the balance paid before shipment.
- *Delivery and logistics.* Our third-party manufacturers are typically responsible for the delivery of products to our specified locations.
- *Inspection and returns.* Product inspection shall be carried out within the specified period upon delivery. We have the right to return defective products that fail to meet agreed quality standards, and our third-party manufacturers shall provide remedies, including returns and/or exchanges.

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- *Confidentiality.* Confidentiality provisions are included in our agreements with our third-party manufacturers during the Track Record Period, with confidentiality obligations potentially extending beyond agreement expiration.

To the best knowledge of our Directors, all of the third-party manufacturers were Independent Third Parties during the Track Record Period and up to the Latest Practicable Date.

OUR SUPPLIERS

During the Track Record Period, our suppliers included both third party manufacturers that produced certain structural and electronic components, as well as the majority of our smart kiosks & terminals, in accordance with our designs and specifications, and raw material suppliers that provided us with motors, printed circuit boards, power supplies, plastic materials, metal structural parts, electronic components and packaging materials. During the Track Record Period, most of our suppliers were located in the PRC, primarily in Guangdong, Jiangsu and Shandong provinces. For the key terms of our supplier agreements, please see “– Raw Material Procurement” and “– Third-Party Manufacturers” for details.

We have established formal internal policies governing supplier qualification, selection, evaluation and procurement management. Our supplier assessment criteria include product quality, pricing, delivery reliability, production capacity, technical capabilities, compliance performance and historical cooperation records. We review relevant certifications and compliance documents, and for key component suppliers, we also conduct comprehensive assessments of their production facilities and quality control systems. We regularly review our supply chain arrangements to maintain stability, quality assurance and operational efficiency.

To mitigate supply concentration risk, we maintain multiple qualified suppliers for our major components and raw materials. We manage price volatility through long-term cooperation arrangements, periodic price negotiations, alternative supplier validation and safety stock strategies. We believe we have sufficient alternative suppliers capable of providing comparable products on commercially reasonable terms.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material shortage, significant delay or disruption in our supply of components and raw materials that materially adversely affected our business.

Major Suppliers

For the years ended December 31, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB21.0 million and RMB14.9 million, accounting for 30.3% and 24.2% of the total procurement amount, respectively. In particular, for the years ended December 31, 2024 and 2025, purchases from our largest supplier amounted to RMB5.2 million and RMB3.7 million, accounting for 7.4% and 6.0% of our total purchases, respectively.

The following tables set forth details of our five largest suppliers for each year during the Track Record Period:

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For the year ended December 31, 2024

Supplier	Region	Background	Products procured	Purchase Amount	As % of total purchase	Year of commencement of business relationship	Payment method	Credit period
				(RMB'000)				
Shenzhen Hongnuo Zhuanxian Technology Co., Ltd. (深圳市鴻諾專顯科技有限公司)	PRC	A private company based in Shenzhen, which is primarily engaged in the development and sales of LCD and display products.	Self-service Terminals	5,162	7.4%	2018	Bank Transfer	30 to 60-day credit period
Supplier A	Belgium	A company based in Belgium, which is primarily engaged in offering electronic components such as semiconductors, interconnect, passive, electromechanical.	Integrated Circuits	5,128	7.4%	2017	Bank Transfer	60 to 90-day credit period
Guangzhou Ruibao Electrical Co., Ltd. (廣州市瑞寶電器有限公司)	PRC	A high-tech enterprise primarily engages in the R&D, design, manufacturing and sales of control motors, servo motors and drive systems.	Motor Components	3,798	5.5%	2013	Bank Transfer	60-day credit period
ESIGNWORLD SRL	Italy	A company incorporated in Italy, principally engaged in providing secure electronic Signature solutions and onboarding.	Signature Tablets	3,798	5.5%	2024	Bank Transfer	50% in advance, 50% upon delivery
Weihai Hualing OPTO-ELECTRONICS Co., Ltd. (威海華菱光電股份有限公司)	PRC	A high-tech enterprise which is primarily engaged in the manufacturing of advanced image sensors and precision sensing products.	Sensors	3,113	4.5%	2016	Bank Transfer	Full payment before delivery
Total				<u>20,999</u>	<u>30.3%</u>			

For the year ended December 31, 2025

Supplier	Region	Background	Products procured	Purchase Amount	As % of total purchase	Year of commencement of business relationship	Payment method	Credit period
				(RMB'000)				
Guangzhou Ruibao Electrical Co., Ltd. (廣州市瑞寶電器有限公司)	PRC	A high-tech enterprise primarily engages in the R&D, design, manufacturing and sales of control motors, servo motors and drive systems.	Motor Components	3,682	6.0%	2013	Bank Transfer	60-day credit period
Supplier A	Belgium	A company based in Belgium, which is primarily engaged in offering electronic components such as semiconductors, interconnect, passive, electromechanical.	Integrated Circuits	3,052	5.0%	2017	Bank Transfer	60-day credit period
MORER D.O.O.	Slovenia	A private company incorporated in Slovenia, engaging in production of plastic products, printing ribbons and other products.	Ink ribbon cartridges	2,886	4.7%	2016	Bank Transfer	30-day credit period
Shenzhen Onda Precision Circuit Co., Ltd. (深圳市奧仕達精密線路有限公司)	PRC	A company based in Shenzhen, which is primarily engaged in the trading of PCB boards and related electronic components.	PCBs	2,620	4.3%	2017	Bank Transfer	60-day credit period
Guangzhou Yinsu Supply Chain Management Co., Ltd. (廣州銀塑供應鏈管理有限公司)	PRC	A company based in Guangzhou, which is primarily engaged in supply chain management and wholesale trade of chemical products and plastic products.	Plastic Raw Materials	2,572	4.2%	2020	Bank Transfer	30-day credit period
Total				<u>14,812</u>	<u>24.2%</u>			

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Each of our five largest suppliers in each year during the Track Record Period is an Independent Third Party. To the best of our directors’ knowledge, none of our directors, their respective close associates, or any shareholder owning more than 5% of our issued share capital had any direct or indirect interest in any of our five largest suppliers during the Track Record Period.

During the Track Record Period and as of the Latest Practicable Date, we had no dispute with our major suppliers, or any material breach of the framework agreements we entered into with our suppliers that would have a material adverse effect on our business, financial condition, or results of operations.

SALES AND MARKETING

We operate our global sales through two independent, parallel sales channels: (i) distributorship model and (ii) direct sales model. Our international sales and technical support teams are based in Kunming and Beijing in the PRC, and Ivrea in Italy. No sales personnel are deployed outside these locations.

The following table sets forth the breakdown of our revenue by geographical locations of our customers during the Track Record Period.

	Year ended December 31,				Sales Model
	2024		2025		
	Amount	%	Amount	%	
	(RMB in thousands, except percentages)				
Chinese Mainland	8,623	6.0	10,874	8.3	Distributorship
Asia (other than Chinese mainland) ¹	94,020	65.8	78,949	60.0	Distributorship
Europe ²	11,657	8.2	30,930	23.5	Distributorship and direct sales
North America ³	14,947	10.5	5,838	4.4	Distributorship
Others ⁴	13,696	9.5	4,924	3.8	Distributorship
Total revenue	142,943	100.0	131,515	100.0	

Note:

1. Asia (other than Chinese Mainland) mainly included India, Turkey, Taiwan, China, Singapore, Pakistan, and UAE.
2. Europe mainly included Italy and Spain.
3. North America mainly included Mexico.
4. Others included countries and regions in Africa, South America, Oceania and elsewhere.

Our revenue remained geographically diversified, with Asia (other than Chinese Mainland) being our largest market throughout the Track Record Period. In particular:

Revenue from Chinese Mainland increased by RMB2.3 million or 26.1%, from RMB8.6 million in 2024 to RMB10.9 million in 2025, which was mainly attributable to increased purchases by our three major customers in Chinese Mainland during the year, such as PR2 Plus series and MB2 series.

Revenue from Asia (other than Chinese Mainland) decreased by RMB15.1 million, or 16.0%, from RMB94.0 million in 2024 to RMB78.9 million in 2025, mainly attributable to a reduction in revenue generated from customers in India during the year. Even though we experienced a decrease from Asia (other than Chinese Mainland) in 2025, we continued to develop business opportunities in the other Asian markets.

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In Europe, revenue increased by RMB19.2 million, or 165.3%, from RMB11.7 million in 2024 to RMB30.9 million in 2025. The increase was primarily attributable to increased sales through our Italian subsidiary during the year.

Revenue from North America decreased by RMB9.1 million, or 60.9%, from RMB14.9 million in 2024 to RMB5.8 million in 2025. The decrease was primarily attributable to lower order volume from existing customers and the absence of significant purchases from certain customers during the year.

Revenue from Others decreased by RMB8.8 million, or 64.0%, from RMB13.7 million in 2024 to RMB4.9 million in 2025, primarily due to reduced procurement activities and lower order volume from existing customers, as well as the absence of significant purchases by certain customers in certain markets in Africa and South America. For detailed analysis, please refer to “Financial Information – Description of Consolidated Statements of Profit or Loss and Other – Revenue – Revenue by geographic location” in this document.

While the geographic concentration aligns with our business strategy, we acknowledge potential risks that if market conditions in these regions deteriorate, trade policies change, or key customer relationships are terminated, our revenue may be materially affected. To mitigate this, we have adopted a more focused market expansion strategy by prioritising regions with stronger growth potential and higher customer demand. In 2025, we strategically diversified our geographical revenue mix by expanding our presence in Europe and reducing our relative reliance on other Asian markets. Revenue contribution from Europe increased significantly from 8.2% in 2024 to 23.5% in 2025, primarily driven by enhanced market development efforts, customer expansion, and increased sales to customers in the region. Meanwhile, the revenue contribution from other Asian countries and regions decreased from 65.8% to 60.0%, reflecting our continued efforts to diversify our customer base and optimise regional sales allocation.

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

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Direct sales	13,853	9.7	21,237	16.1
Distribution	129,090	90.3	110,278	83.9
Total revenue	<u>142,943</u>	<u>100.0</u>	<u>131,515</u>	<u>100.0</u>

During the Track Record Period, revenue from distributorship accounted for 90.3% and 83.9% of our total revenue in 2024 and 2025, respectively, representing a decrease of 6.4%. Direct sales contributed 9.7% and 16.1% of our total revenue in 2024 and 2025, respectively, reflecting an increase of 6.4%. The shift in channel mix aligns with our long-term strategy to expand our direct sales capabilities and strengthen customer relationships.

To the best knowledge and information of our Directors, all of the distributors and direct sales customers were Independent Third Parties during the Track Record Period. None of them are controlled by our Directors, senior management, Shareholders holding 5% or more of our issued Shares, or their respective associates. We have not provided any financial assistance, advances, loans, guarantees or any form of financial support to any channel partners.

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Our Sales Channels

Distributorship Model

We sell to distributors under an authorised buyout model, which is standard in the global professional financial printing industry. Distributors purchase products from us on a buy-sell basis and resell to end customers within their authorised territories. During the Track Record Period, we have not engaged any sub-distributors. We are responsible for R&D, manufacturing, quality control, technical support and marketing training, while distributors undertake local promotion, sales execution, inventory management, delivery and after-sales services.

We have adopted a distributorship model for a combination of commercial considerations. The distributorship model is a standard practice in the global professional financial printing industry and aligns with market norms. By leveraging our distributors’ local expertise and resources, we are able to expand our global footprint efficiently without establishing wholly-owned sales and service networks in each overseas market. At the same time, the distributorship model shifts inventory risks to distributors, reducing our exposure to market fluctuations and enhancing cash flow stability. This arrangement also allows us to concentrate our internal resources on product innovation, quality control and brand building – the very areas that underpin our competitive advantages.

Our products sold through distributors include our mission-critical specialised printers and all-in-one printing & scanning equipment (PR2 Plus, PR9, MB2 and PR4 Series), as well as smart kiosks & terminals, consumables and spare parts.

We enter into written Annual Sales Framework Agreements with each distributor. The principal terms are summarised as follows:

- **Term and Renewal.** We generally enter into distribution agreements with terms ranging from five to ten years, with automatic renewal for successive one-year or three-year periods unless either party gives notice of termination prior to the expiration date.
- **Authorised Territory.** Defined geographic regions; cross-region sales are strictly prohibited.
- **Pricing.** Based on prices mutually agreed between both parties in writing.
- **Title and Risk.** Title to the products and risk of loss or damage shall pass to the distributor upon delivery in accordance with the applicable trade term (EXW, FOB or CIF) as specified in the purchase order. Under EXW, delivery and risk transfer occur when the products are made available at our factory. Under FOB and CIF, delivery and risk transfer occur when the products are loaded onto the vessel at the named port of shipment. In all cases, the distributor bears all costs and risks thereafter, including transportation, insurance, customs clearance and any loss or damage occurring after risk transfer.
- **Minimum Purchase.** Our distribution agreements typically include minimum purchase requirements. For example, certain agreements require minimum annual purchase volumes, with the specific volume reviewed periodically. Failure to meet the agreed minimum purchase volume may result in termination of the distributorship.
- **Forecast.** Distributors provide product demand forecasts on monthly basis.
- **Returns.** Returns and exchanges are limited to products with confirmed quality defects.
- **Termination.** Either party may terminate the agreement in the event of material breach, insolvency, bankruptcy.

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Under such distribution agreements, we generally retain control of products and bear the relevant legal risks until the products are delivered and accepted by the distributors, at which time revenue is recognised. To the best of our knowledge, these arrangements are in line with industry practice.

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

	Year ended December 31,	
	2024	2025
Number of distributors at the beginning of the year	113	116
Number of new distributors	36	22
Number of exiting distributors	33	38
Number of distributors at the end of the year	116	100

We believe that the entry and exit of distributors is a normal market phenomenon, primarily driven by the following factors: (i) Proactive optimisation strategy. We regularly review our distributor network, proactively eliminating distributors with consistently substandard performance, insufficient marketing efforts, or those that do not align with our company’s brand image, in order to concentrate resources on supporting core partners. In some regions, we have conducted channel consolidation, selecting agents with stronger logistics and technological capabilities, thereby reducing the number of distributors while improving the overall quality of the network; and (ii) Distributor’s own operational adjustments. Some distributors have terminated their cooperation due to their own business transformation, mergers and acquisitions, or other reasons.

During the Track Record Period, there were no long-term business interruptions or major returns between us and our distributors due to significant product quality defects, legal proceedings, or malicious breach of contract.

During the Track Record Period and up to the Latest Practicable Date, we did not experience material breaches of distribution agreements that significantly affected our business, nor did we have any material disputes or unexpected large-scale returns that materially adversely affected our operating results.

Direct Sales Model

Under our direct sales model, we sell directly to financial institutions and postal operators. This model enables closer customer relationships, tailored configurations and full-life cycle services. We communicate directly with customers to understand their operational needs, provide tailored product configurations, and directly deliver products to them. Our products sold through direct sales include our mission-critical specialised printers and all-in-one printing & scanning equipment.

Our customer acquisition for direct sales is mainly through direct negotiation. We typically enter into framework agreements and purchase orders with direct customers. The principal terms are summarised as follows:

- **Term.** The framework agreement is usually valid for a term of 12 months. Our customer may issue purchase orders based on its actual needs during the term, and any renewal is subject to mutual negotiation rather than automatic renewal.
- **Minimum purchase amount.** Our customers are not required to purchase a specified minimum purchase amount.
- **Product specifications.** Customised models, technical parameters and interface protocols based on customer scenarios.

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- **Pricing.** The contract price is generally determined through negotiation between both parties.
- **Title and Risk:** The title to the products and risk of loss or damage shall pass to the customer upon delivery. We bear all costs and risks associated with transportation, insurance, customs clearance and any loss or damage to the products until they are delivered to the customer’s specified location.
- **Delivery.** We are responsible for all transportation, insurance and customs clearance costs. Each shipment must be accompanied by a transport document specifying the quantity and serial numbers of the equipment delivered.
- **Payment.** Payment shall be made within 60 days from the date of receipt of the invoice.
- **Termination.** In the event of our bankruptcy, liquidation, change in legal form, business transfer, or violation of financial traceability, confidentiality, or subcontracting obligations, our customer has the right to terminate the agreement.

We provide technical support, production management and quality control to ensure consistent and compliant delivery of our products to our direct customers.

Pricing

We adopt differentiated pricing strategies based on customer type and business scenario:

Distributors. Prices are negotiated on an arm’s length basis and set out in official price lists (EXW, FOB or CIF). We do not interfere with distributors’ resale pricing decisions.

Direct sales to direct sales customers. Pricing is generally determined through arm’s length negotiations, based on equipment proposals, configurations and after-sales service arrangements.

When formulating prices, we consider cost structure (raw materials, production, R&D, logistics, after-sales service), market competition, product specifications and customisation, order volume, customer type and cooperation history, and regional differences.

Marketing and Branding

We conduct targeted marketing initiatives to promote our products globally. Our marketing activities primarily include participation in international industry exhibitions, provision of marketing materials, product training and sales support to our distributors, as well as targeted business development customisation for key institutional customers.

We have inherited an extensive global sales network through the acquisition of the banking & postal business of [REDACTED], which enables us to effectively expand our market coverage, enhance customer proximity and strengthen our overall market competitiveness. Our brand and market reputation further support our business development with direct sales customers and distributors, facilitating the long-term sustainable growth of our business.

BUSINESS

Channel Management

Management of Distributors

We operate under a strict buyout model, pursuant to which distributors assume full inventory risks and other related operational risks. We regularly communicate sales and market information with our distributors to avoid excessive inventory accumulation or insufficient stock levels that would impair timely order fulfilment for end customers. We generally do not accept product returns from our distributors. Our distributor evaluation criteria focus on marketing capabilities, service performance and product expertise, rather than purely on purchase volume. Based on our internal controls and inventory monitoring arrangements, we confirm that no material channel stuffing occurred during the track record period.

Each distributor is assigned a clearly defined authorised territory, and cross-region sales are prohibited. When selecting our distributors, we take into consideration their respective geographic coverage as well as distribution channels in order to avoid potential competition among the distributors within a region. Distributors are not allowed to conduct sales beyond their authorised territories. We conduct regular compliance monitoring and may terminate distribution agreements in the event of material breaches. We maintain compliance with applicable competition laws and do not impose mandatory resale prices on our distributors.

Our distribution arrangements are generally non-exclusive. Overlaps in certain market territories are permitted under our non-exclusive arrangements and do not constitute channel conflicts. Territorial overlaps have not given rise to any material channel conflicts or market cannibalisation among distributors throughout the track record period.

Distributors are selected based on criteria including industry reputation, local customer network, financial strength, sales capability and after-sales service capacity. We provide regular product and technical training to distributors and conduct periodic business reviews and on-site visits to monitor their performance. Distributors with persistent underperformance may have their authorisation adjusted or terminated. During the Track Record Period, we have not engaged any sub-distributors. Our distributors may cooperate with independent local resellers from time to time for its own downstream distribution activities. All arrangements with such local resellers are entered into solely by the relevant distributor independently. We have no contractual rights or obligations in relation to, or control over such resellers, and does not conduct any performance assessment or provide support to them.

Management of Direct Sales Customers

We maintain standardised processes for customer verification, contract negotiation and after-sales support to our director sales customers. Direct sales customers are primarily institutional customers with stable credit standing, and we conduct credit assessments on these customers when we enter into sales agreement with them.

After-sales Services

We have consistently enhanced our after-sales services alongside the expansion of our product portfolio, aiming to deliver timely, effective and market oriented support that meets customers’ needs.

Given the global distribution of our products and the importance of providing timely after-sales support, after-sales services for end users are primarily provided by our distributors. To support the delivery of after-sales services by our distributors, we provide training and remote technical guidance. Our technical support personnel work closely with distributors to facilitate timely responses to the needs of end users and maintain consistent service quality across different markets, including key markets across Asia Pacific and Europe.

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OUR CUSTOMERS

Our customer base is geographically diversified, reflecting our global sales network across Chinese Mainland, Asia (other than Chinese Mainland), Europe, North America and other countries and regions. Our customers primarily comprise distributors, financial institutions and postal operators. During the Track Record Period, no single customer accounted for an excessively high proportion of total revenue that may pose material customer concentration risk.

Major Customers

For the years ended December 31, 2024 and 2025, revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB69.3 million and RMB59.4 million, accounting for 48.5% and 45.2% of our total revenue, respectively. In particular, for the years ended December 31, 2024 and 2025, revenue generated from our largest customer amounted to RMB20.9 million and RMB15.0 million, accounting for 14.6% and 11.4% of our total revenue, respectively. All of our five largest customers during the Track Record Period were distributors.

The following tables set forth the details of the five largest customers in each year during the Track Record Period:

For year ended December 31, 2024

Customer	Region	Backgrounds	Products	Sales Amount	% of Total Revenue	Year of Commencement of Business Relationship	Payment Terms	Credit Period
				(RMB'000)				
Bharat IT Services Ltd	India	An Indian IT solutions provider specialising in hardware, infrastructure services, and banking technology peripherals.	Mission-critical specialised printers and all-in-one printing & scanning equipment	20,911	14.6%	2016	Bank Transfer	90-day credit period
Americom Technologies Private Limited	Pakistan	A Pakistan-based importer and distributor specialising in banking technology peripherals, printer consumables, and IT hardware solutions.	Mission-critical specialised printers and all-in-one printing & scanning equipment	18,116	12.7%	2016	Bank Transfer	45-day credit period
UROMAX (SINGAPORE) PTE LTD.	Singapore	A Singapore-based trading company specialising in the wholesale distribution of computer hardware, peripherals, and telecommunications equipment.	Mission-critical specialised printers and all-in-one printing & scanning equipment	11,293	7.9%	2016	Bank Transfer	45-day credit period
Customer A	UAE	A company registered in the UAE. Business activities including: Trading and distribution of multi-brand products; import and export operations; regional brand representation for the Middle East market; and logistics and supply chain services	Mission-critical specialised printers and all-in-one printing & scanning equipment	9,834	6.9%	2016	Bank Transfer	TT in Advance
Customer B	Algeria	An Algerian technology and business solutions provider, operating in the Software & Internet industry	Mission-critical specialised printers and all-in-one printing & scanning equipment, Smart kiosks & terminals	9,181	6.4%	2020	Bank Transfer	L/C at Sight
Total				<u>69,335</u>	<u>48.5%</u>			

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For year ended December 31, 2025

Customer	Region	Backgrounds	Products	Sales Amount	% of Total Revenue	Year of Commencement of Business Relationship	Payment Terms	Credit Period
				(RMB'000)				
Customer C	Turkey	A Turkish company specialising in uninterruptible power supply (UPS) solutions, data backup services, and computer hardware manufacturing.	Mission-critical specialised printers and all-in-one printing & scanning equipment	14,994	11.4%	2016	Bank Transfer	60-days after arrival
TOP INFORMATION TECHNOLOGIES CO.,LTD. (鼎盛資料股份有限公司)	Taiwan, China	A Taiwanese company in the computer hardware and IT peripherals industry, specialises in the trading, maintenance, and leasing of computers, terminals, peripheral equipment, and office automation products.	Mission-critical specialised printers and all-in-one printing & scanning equipment	12,521	9.5%	2016	Bank Transfer	30-day credit period
Bharat IT Services Ltd.	India	An Indian IT solutions provider specialising in hardware, infrastructure services, and banking technology peripherals.	Mission-critical specialised printers and all-in-one printing & scanning equipment	12,502	9.5%	2016	Bank Transfer	90-day credit period
Lipi data systems Ltd.	India	One of India's top 3 IT peripheral companies and a leading manufacturer of printing and automation solutions.	Mission-critical specialised printers and all-in-one printing & scanning equipment	10,497	8.0%	2018	Bank Transfer	90-day credit period
UROMAX (SINGAPORE) PTE LTD.	Singapore	A Singapore-based trading company specialising in the wholesale distribution of computer hardware, peripherals, and telecommunications equipment.	Mission-critical specialised printers and all-in-one printing & scanning equipment	8,930	6.8%	2016	Bank Transfer	45-day credit period
Total				<u>59,444</u>	<u>45.2%</u>			

For details of the salient terms of the sales agreements entered into by us and our customers, please refer to “Sales and Marketing – Our Sales Channels – Distributorship Model” and “– Direct Sales Model” in this section.

During the Track Record Period and as of the Latest Practicable Date, we had no dispute with our major customers, or any material breach of the contract we entered into with our customers that would have a material adverse effect on our business, financial condition, or results of operations.

Each of our five largest customers in each year during the Track Record Period is an Independent Third Party. To the best of our Directors’ knowledge, none of the Directors, their respective close associates, or any Shareholder, whom to the Directors’ best knowledge, owns more than 5% of our Company’s issued capital, had any interest in the five largest customers in the years during the Track Record Period.

INVENTORY

Our inventory comprises raw materials and finished goods. We maintain a disciplined inventory control system, including order-based procurement, appropriate safety stock levels, regular inventory counting. We use an ERP system and warehouse management system to monitor inventory levels and movements.

In 2024 and 2025, our inventory turnover days were approximately 160.4 days and 152.3 days, respectively. We maintain an inventory provision practice for slow-moving, obsolete or damaged inventory based on inventory aging, market demand, technological obsolescence and net realizable value assessment. Please see the section headed “Financial Information” for the breakdown of inventory by category, carrying amounts and reasons for changes.

We engage independent third-party logistics providers for the transportation of raw materials and finished goods. We monitor their service quality and delivery performance to ensure stable and efficient supply chain operations.

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THIRD PARTY PAYMENT

Background

During the Track Record Period, the Group had an isolated case in which payment for goods was settled by a third party on behalf of a customer. Such arrangement was not a pre-arranged payment method adopted by the Group at the inception of the transaction. Rather, it arose under specific commercial and compliance circumstances and was incidental in nature. It did not form part of the Group’s ordinary course of business.

In July 2023, a customer established in the UAE (the “**Customer**”) purchased PR4 series printer products from our Company with a total purchase price of US\$318,500. At the inception of the transaction, the Customer was the contracting party, the recipient of the goods and the party responsible for payment. The Group duly delivered the products in accordance with the contractual terms.

During the settlement process, the Customer made multiple attempts to remit payment to the Group. However, such remittances were repeatedly rejected and returned by the relevant banks due to cross-border compliance reviews, incomplete supporting documentation and discrepancies between the remitting party and the contracting party. As a result, the outstanding amount could not be successfully settled.

The Group subsequently requested that the Customer complete the payment in its own name to ensure consistency among the sales, delivery and settlement parties. The Group later became aware that, as a result of business restructuring, the Customer had ceased operations and had been deregistered, and that its business operations had been assumed by an affiliated company (the “**Third-Party Payer**”). Under such circumstances, the Customer was no longer in a position to discharge its payment obligations in its own name.

Prior to such arrangement being approved by our Company, the Third-Party Payer had attempted to settle the outstanding amount on behalf of the Customer without prior notification to the Group. For compliance purposes and to ensure consistency of trade documentation, the Group rejected such request from the Customer and the Third-Party Payer. After reviewing the background of the transaction, understanding the relationship between the Customer and the Third-Party Payer, obtaining explanatory documents and supporting materials, and completing our internal approval procedures, the Group agreed to accept settlement from the Third-Party Payer on behalf of the Customer in respect of the outstanding amount, thereby giving rise to the third-party settlement arrangement.

To the best knowledge of our Directors, the Customer and the Third-Party Payer were affiliated parties. The manager of the Customer held a 49% equity interest in the Third-Party Payer and also served as its manager. The Customer and the Third-Party Payer were Independent Third Parties to the Group. Based on the explanatory documents provided by the Customer and the Third-Party Payer, together with the supporting documents obtained by the Group, our Directors are satisfied that the payments made by the Third-Party Payer were solely in settlement of amounts arising from the underlying transaction between the Customer and the Group involving genuine purchases of goods. The arrangement did not involve any new transaction, financing arrangement, loan arrangement or any transfer of funds unrelated to the underlying transaction.

During the Track Record Period, the above third-party settlement arrangement involved only one customer and one third-party payer. As of December 31, 2024, the total purchase price relating to the Customer amounted to US\$318,500, representing approximately 1.6% of the total revenue of the Group for the year ended December 31, 2024. As at the Latest Practicable Date, the Third-Party Payer had settled an aggregate amount of US\$170,000 to the Group, representing approximately 53.4% of the total purchase price relating to the Customer, while the outstanding balance amounted to US\$148,500. The Group has continued to follow up on the outstanding receivables while the impairment provisions in respect of such receivables were made by the Group as of December 31, 2024, in accordance with our accounting policies.

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Our Directors are of the view that: (i) the third-party settlement arrangement arose under specific commercial and compliance circumstances and was supported by a reasonable commercial rationale; (ii) the underlying transaction was genuine and the flow of goods, contracts and funds was consistent, traceable and supported by relevant documentary evidence; and (iii) the arrangement did not contravene any applicable laws and regulations, including those relating to foreign exchange control, anti-money laundering and trade compliance, nor was it intended to circumvent any regulatory requirements or constitute a disguised financing arrangement. Accordingly, the arrangement did not have any material adverse effect on the authenticity of the underlying transaction or the Group's financial performance during the Track Record Period.

Our Directors confirm that the above third-party settlement arrangement was an isolated case which was a one-off arrangement.

Save for the arrangement disclosed above, the Group did not enter into any other third-party settlement arrangements during the Track Record Period. Considering that the total amount of the aforementioned transaction accounted for less than 5% of our total revenue for the year ended December 31, 2024, our Directors are of the view that there was no material adverse impact on our Group's ordinary business operations.

To the best knowledge of our Directors, we had not been the subject of any investigations, enquiries, penalties, surcharges or additional tax payments as a result of the third-party settlement arrangement during the Track Record Period and up to the Latest Practicable Date.

Internal Control Measures

To safeguard our interest against risks associated with third party payment arrangements, we have implemented various internal control measures to mitigate the relevant risks, including but not limited to the followings:

- prior to accepting any payment from a third-party payer, the relevant departments are required to conduct appropriate due diligence on the payer, including reviewing its background information and relationship with the customer, and to retain the relevant assessment records and management approval records. Where appropriate, the Group may require the execution of an authorisation or entrustment letter to safeguard the security of the Group's funds;
- the relevant departments are required to obtain and review supporting documents relating to the third-party payment arrangement, including the background information of the customer and the third-party payer and any entrusted payment agreement or other supporting documents (where applicable), and to complete the relevant internal approval procedures in accordance with the Group's internal policies;
- where considered necessary, the Group will require the customer and the third-party payer to enter into a tripartite agreement with the Group to clearly set out the rights and obligations of the parties and the details of the payment arrangement, so as to safeguard the Group's interests;
- in the event that any third-party payment arrangement without prior consent from the Group is identified, the Group will arrange for a refund of the relevant payment and require the customer to make payment directly to the Group; and
- the procedures and approval requirements relating to third-party payment arrangements have been incorporated into the Group's internal management policies. Such policies have been duly approved and circulated to relevant employees, who are required to comply with the prescribed procedures and documentation requirements when handling third-party payment arrangements.

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PRODUCT RETURNS AND WARRANTY

Our warranty arrangements vary by sales channels. In terms of our sales to distributors, we generally do not provide warranties. The distributor assumes full responsibility for warranty (including any subsequent repairs or replacements) and after-sales service to their respective customers without our involvement. In terms of our sales to end user customers, we provide one to five years warranties to certain end user customers for general repairs of defects occurring during the warranty period. We do not accept product returns for any products sold.

During the Track Record Period, we did not have any material product recalls, material liability claims or material customer complaints. Any minor complaints or quality issues were promptly addressed through root-cause analysis, corrective actions and internal control improvements to prevent recurrence. All customer complaints, returns and warranty records are properly maintained for regulatory and internal review purposes.

EMPLOYEES

As of December 31, 2025, we had a total of 119 full-time employees. The majority of our employees are based in Zhuhai, China, where our core operational team is concentrated. The table below sets forth a breakdown of our employees by function as of the same date.

Function	Number	Percentage of Total Number (%)
Management	8	6.7
Sales & Marketing	6	5.0
Operations	69	58.0
Technical	11	9.3
Functional Support	25	21.0
Total	119	100.0

The following table sets forth the geographical distribution of our employees as of December 31, 2025.

Location	Zhuhai, PRC	Kunming, PRC	Shenzhen, PRC	Beijing, PRC	Hong Kong	Italy	Total
Number of Employees	86	14	6	4	2	7	119

Recruitment and Training

Our success depends on our ability to attract, retain and motivate qualified talents. We recruit through rigorous procedures via multiple channels, including online recruitment and internal referrals. We provide comprehensive training covering onboarding, professional skills, product knowledge, sales capabilities and on-the-job practice. We have a formal performance assessment system adopting annual process reviews and annual comprehensive evaluations, covering sales performance, client development, operational delivery and teamwork. Assessment results are directly linked to remuneration, bonuses and promotions. We offer competitive compensation packages based on employees’ qualifications, experience, position and performance.

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Employment Terms and Labour Relations

We have entered into employment contracts with all employees in compliance with PRC labour laws. Such contracts include confidentiality provisions for our key employees, particularly those in the sales department. We maintain a stable and harmonious working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material labour disputes or material difficulties in recruitment.

Social Insurance Fund and Housing Provident Fund

PRC laws and regulations require us to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund and pay social insurance and housing provident fund contributions in amounts equal to certain percentages of salaries of employees specified by the local government. During the Track Record Period, we did not make social insurance and housing provident fund contributions in full amount for our employees as required by relevant PRC laws and regulations.

As advised by our PRC Legal Adviser, according to the applicable PRC laws and regulations: (i) with respect to social insurance, the relevant government authorities may order us to pay the outstanding amounts within the prescribed time period with a late charge at the daily rate of 0.05% on the outstanding amounts, and if and only if we fail to do so, they may impose a fine or penalty ranging from one to three times of the outstanding amounts; and (ii) with respect to housing provident funds, the relevant government authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to competent court for enforcement of the outstanding amounts if we fail to do so.

We had received confirmations from the competent government authorities that we have not been subject to any penalty for violations of laws and regulations regarding social security or housing provident fund during the Track Record Period and up to the Latest Practicable Date. As of December 31, 2025, no government notice had been received by us and no administrative penalties had been imposed on us with respect to the shortfall of social insurance and housing provident fund contributions, nor had we experienced any material claim raised by employees regarding such shortfall.

Based on the confirmations we received from the competent government authorities, our PRC Legal Adviser is of the view that the likelihood of us being subject to any material penalties due to the failure to provide the outstanding historical social insurance and housing provident fund contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees. Therefore, we did not make any provision for the shortfall of our social insurance fund contributions and housing provident fund contributions during the Track Record Period in our financial statements. If we receive notice from competent government authorities requiring us to pay the outstanding contributions, we will take immediate measures as required and such payment would not have a material adverse impact on our business, financial condition or results of operations. Our Controlling Shareholders Mr. Zheng Xiaohui and Ms. Zhao Hui have also undertaken to indemnify us against all of such penalties in the event that we are required to pay any penalties imposed by the relevant PRC authorities.

Labour Dispatch

Pursuant to the Labour Contract Law and the relevant PRC laws and regulations, dispatched workers are only intended to be a supplementary form of employment, the number of which shall not exceed 10% of the employer's total workforce., otherwise, we may be ordered by the relevant authorities to rectify within a specified period of time and may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold. During the Track Record Period, we engaged limited number of dispatched staff by signing labour dispatch service agreements with third-party dispatch agencies. These dispatched staff were mainly hired for positions with a supporting nature. These dispatched staff entered into labour contracts with the dispatch agencies and not with us, and the relevant costs of social insurance and housing funds for the dispatched staff were not borne by us either. During the Track Record Period, the number of our dispatched workers exceeded 10% of the total number of our total workforce as prescribed under relevant PRC laws and regulations. We have subsequently implemented

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rectification measure to ensure our compliance with applicable PRC laws and regulations. As of the Latest Practicable Date, the number of our dispatched workers remained below 10% of the total number of our total workforce.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties or other disciplinary actions relating to labour dispatch from the relevant government authorities. We have formulated and implemented a plan to contain the number of dispatched workers and stay compliant. Specifically, we limit the use of dispatched workers to temporary, auxiliary, or replacement roles in accordance with applicable regulations. Our Controlling Shareholders Mr. Zheng Xiaohui and Ms. Zhao Hui have also undertaken to indemnify us against all of such penalties in the event that we are required to pay penalties in relation to the labour dispatch non-compliance issue imposed by the relevant PRC authorities. Our PRC Legal Adviser is of the view that the likelihood of us being subject to any material penalties due to the labour dispatch issue is remote.

INSURANCE

Pursuant to the relevant PRC social insurance laws and regulations, we make contributions for mandatory social insurance and housing provident fund for our employees in the PRC.

In respect of our export business, we arrange cargo transportation insurance for goods delivered under CIF terms in accordance with customary international trade practice. Such insurance generally covers major risks of loss of or damage to goods during international transportation, including risks relating to natural disasters, accidents, theft and breakage, on a warehouse to warehouse basis. Certain general exclusions apply, including risks of rust and surface scratches for unpackaged or naked goods. For goods sold under EXW or FOB terms, customers are responsible for arranging and bearing the cost of cargo insurance, which represents our division of liability with counterparties under standard trade terms.

We consider our current insurance coverage adequate for our business scale and operational needs, and consistent with general industry practice for companies of similar size and business nature in our industry. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material insurance claims. Nevertheless, we may still face potential claims and liabilities beyond the scope of our existing insurance coverage, which could have a material adverse effect on our business and financial condition. For further information, please refer to “Risk Factors – Risks Relating to Our Business and Industry – Our insurance policies may not be adequate to cover all risks of loss associated with our business operations.”

INTELLECTUAL PROPERTY

We believe that our intellectual property rights are crucial to our continued success, as they underpin our core technologies, product competitiveness and market position in the financial intelligent printing and document processing industry. We protect and manage our intellectual property through a comprehensive IP management system covering registration, protection, monitoring, employee training, and clear ownership and confidentiality provisions to safeguard our innovations and rights throughout their life cycle.

As of the Latest Practicable Date, we have 49 granted patents, 7 registered trademarks and 1 domain name in PRC and overseas, and 14 software copyrights in PRC, which we consider are material to our business. For our portfolio of material intellectual property rights as of the Latest Practicable Date, see “Appendix V – Statutory and General Information – 2. Further Information about our Business – B. Intellectual Property Rights”.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes, litigation or arbitration relating to infringement of intellectual property rights, or claims challenging the validity, ownership or enforceability of our intellectual property rights, which would have a material adverse effect on our business, financial condition, or results of operations.

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PROPERTIES

Owned Properties

Land

As of the Latest Practicable Date, we owned and occupied the land use rights of one land parcel in Zhuhai, China, with an aggregate site area of approximately 16,665 sq. m., which were mainly used as our warehouses, production base and offices.

As of the Latest Practicable Date, we had obtained all valid land use right certificates for all land parcels we owned and occupied. Our PRC Legal Advisers have confirmed that such land use rights are legal, valid and enforceable, and there are no title defects, legal impediments or material risk of eviction or forfeiture in relation thereto.

Buildings or Units

As of the Latest Practicable Date, we owned three properties on our land in Zhuhai, China, with an aggregate GFA of approximately 10,291.5 sq. m., which were mainly used as our production base, office space, warehouses and staff dormitories.

As of the Latest Practicable Date, we had obtained all valid building ownership certificates for all buildings we owned. Our PRC Legal Advisers have confirmed that such properties are free from title defects and any material legal claims, encumbrances or risks of eviction.

Leased Properties

PRC

As of the Latest Practicable Date, we leased 8 properties in Shenzhen, Zhuhai, Beijing, Kunming and Qingdao, with an aggregate GFA of approximately 852.47 sq. m., which were mainly used as our office space and staff dormitory. Our lease terms generally range from one year to three years. We are generally allowed to terminate lease agreements with prior notice, which provides us with operational flexibility, albeit usually at the cost of forfeiting deposits or paying a termination fee.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the Ministry of Housing and Urban-Rural Development of the PRC. As advised by our PRC Legal Adviser, we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register. Therefore, the maximum exposure to penalties or fines for lacking of lease agreement registration would be RMB10,000. As of the Latest Practicable Date, we have endeavored to complete lease registration procedures for our leased properties in China. Nevertheless, for certain property leases, the lessors are unable to provide assistance to complete the relevant filing and registration procedures. Our PRC Legal Advisers are of the opinion that the absence of registration will not affect the validity of the lease agreements, and such non-registration circumstances do not constitute a material risk to our operations nor result in any interruption to our business.

Overseas

As of the Latest Practicable Date, we leased one office premise in Ivrea, Turin, Italy, one office premise and one warehouse in Hong Kong. These leased properties were used in connection with our business operations. The lease terms of these leased properties generally range from 2 to 6 years, and the relevant leases were valid and in full force and effect.

As of the Latest Practicable Date, there were no pending or threatened disputes, defaults, penalties or claims in relation to these leased properties, and no material impediments to our continued use of such properties for our business operations.

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We do not hold any idle land, civil defense properties or land for resettlement purposes. Save for an area of approximately 2,000 sq. m. of land adjacent to our Zhuhai industrial park which is subject to potential government acquisition for road construction, none of our properties, whether in the PRC or overseas, have defective titles. Such land is situated outside the boundary wall of our industrial park, and the relevant acquisition is not expected to exert any material adverse effect on our daily operations. The Directors confirm that there are no material contingent liabilities, risks of eviction or other material adverse impacts in relation to our remaining land and properties.

Property Valuation

Pursuant to Rule 8.01A(2) of the GEM Listing Rules, where a property interest does not form part of the issuer’s property activities and the carrying amount of such property interest is at or above 15% of the issuer’s total assets, the issuer must include a valuation of such property interest in its [REDACTED] document. As at December 31, 2025, being the date to which the most recent audited consolidated statements of the financial position of our Group were made up to, the carrying amount of our property comprising a parcel of land and 3 buildings located at No. 689, Gongye Avenue, Jing’an Town, Doumen District, Zhuhai, Guangdong Province, the PRC exceeded 15% of our total assets. Thus, a property valuation report in respect of such property is included in this document, the text of which is set out in Appendix III to this document. According to the Property Valuation Report, the valuation of this property was approximately RMB45.8 million as at May 31, 2026.

LICENSES, APPROVALS AND PERMITS

We are required to hold various licenses, approvals and permits for the operation of our business. We regularly review our compliance position to ensure that we maintain all material requisite licenses, approvals and permits necessary for our business.

Our PRC Legal Advisers have confirmed that, during the Track Record Period and up to the Latest Practicable Date, we have obtained all material licenses, approvals and permits from the relevant PRC regulatory authorities required for our operations in all material respects, and such licenses, approvals and permits are in full force and effect.

Our PRC Legal Advisers have further advised that there is no material legal impediment to the renewal of our existing licenses, approvals and permits that are subject to renewal. We expect to renew such licenses, approvals and permits in the ordinary course of business prior to their expiry dates in accordance with applicable PRC laws and regulations.

The following table sets forth the material licenses, approvals and permits held by us as at the Latest Practicable Date.

License/approval/permit	Holder	Granting authority	Grant date	Expiry date	Renewal required
China Compulsory Product Certification Certificate (2015010904752429)	Pu Ying Innovation, Zhuhai Puying	China Quality Certification Center	2015-02-06	2029-11-11	Yes
China Compulsory Product Certification Certificate (2017010904952822)	Pu Ying Innovation, Zhuhai Puying	China Quality Certification Center	2017-03-31	2027-01-17	Yes
China Compulsory Product Certification Certificate (2018010904049634)	Pu Ying Innovation, Zhuhai Puying	China Quality Certification Center	2018-03-07	2028-03-21	Yes

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License/approval/permit	Holder	Granting authority	Grant date	Expiry date	Renewal required
Product Certification Certificate (China Energy Conservation Certification) (CQC25701472476)	Pu Ying Innovation, Zhuhai Puying	China Quality Certification Center	2025-05-22	2027-05-18	Yes
Product Certification Certificate (China Energy Conservation Certification) (CQC25701490731)	Pu Ying Innovation, Zhuhai Puying	China Quality Certification Center	2025-11-03	2030-11-02	Yes
C TUV US(NRTL) (U8 098303 0001 Rev.00)	Pu Ying Innovation	TUV SUD	2018-12-28	N/A	Yes
CB (CN66691)	Pu Ying Innovation	China Quality Certification Centre	2024-08-07	N/A	No
CB (CN66788)	Pu Ying Innovation	China Quality Certification Centre	2024-08-16	N/A	No
CB (CN53177)	Pu Ying Innovation	China Quality Certification Centre	2024-06-24	N/A	No

(1) “N/A” represents certificates that do not have an expiration date and will remain valid unless revoked.

(2) “Yes” or “No” indicates whether renewal is required upon expiry.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are involved in two litigations brought against our Italian subsidiary by Italian Social Security Authority (“INPS”) claiming the incorrect calculation of the social security contribution for years 2018–2021 and 2022–2023 respectively, in relation to an executive in the Italian subsidiary of his improper application of the ceiling social security contribution.

In terms of the first litigation relating to year 2018–2021, as of the Latest Practicable Date, our Italian subsidiary has filed petition in front of the Supreme Court to challenge the decision of the Court of Appeal of Turin, which ordered our Italian subsidiary to pay EUR256,439.98 to INPS. Our Italian subsidiary has not paid such amount since the legal proceeding is still pending. As advised by our Italian Legal Adviser, such litigation may be possible to have an unfavourable outcome and, in the event of the unfavourable outcome, the amounts claimed by INPS, in respect of social security contributions and penalties, may amount to EUR256,439.98, without prejudice to the possibility that the claim may be upheld only in part, with a consequent reduction of the applicable penalties or of the contribution debt.

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In terms of the second litigation relating to year 2022–2023 (in which the total amount requested by INPS is EUR118,607.25), on February 26, 2026, the first hearing was held in front of the Court of Ivrea, at the outcome of which the Judge postponed the case to May 8, 2026, to discuss the evidentiary motions and examine the documentation related to the pending case before the Supreme Court. As advised by our Italian Legal Adviser, such litigation may be possible to have an unfavourable outcome and, in the event of the unfavourable outcome, the amounts claimed by INPS, in respect of social security contributions and penalties may amount to EUR118,607.25, without prejudice to the possibility that the claim may be upheld only in part, with a consequent reduction of the applicable penalties or of the contribution debt.

As advised by our Italian Legal Adviser, it cannot be fully excluded that INPS may seek a recalculation of the social security contributions owed by our Italian subsidiary in relation to the executive in our Italian subsidiary for the years following the above two litigations referring to. As of the Latest Practicable Date, our Italian subsidiary has recognised appropriate provisions to address the aforementioned economic exposure.

Save as the above, neither our Group nor our Directors is involved in any material litigation, arbitration or administrative proceedings that may have a material adverse effect on our Group’s business, financial condition or results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, except for the legal proceedings aforementioned which is still under process, our Group has complied in all material respects with applicable laws and regulations in the jurisdictions where it operates. No material breach of laws or regulations has occurred, and no material penalties, fines or sanctions have been imposed on our Group.

International Sanctions and Anti-Money Laundering Compliance

Our Group is committed to compliance with applicable economic sanctions, trade controls and anti-money laundering laws and regulations, including those promulgated by the United Nations, the European Union, and the United States.

During the Track Record Period, our Group conducted immaterial amounts of sales to certain jurisdictions subject to international sanctions or enhanced regulatory scrutiny. All such sales were made to non-sanctioned commercial customers and distributors that are not listed on any applicable public sanctions lists, and none of the counterparties are owned or controlled by sanctioned persons or entities.

Our Group’s products are civilian-use office and financial transaction printers and related equipment with no military, nuclear, prohibited or sensitive end-use applications. Our Group does not conduct business with any sanctioned individuals, entities or governments.

To ensure compliance, our Group has implemented the following internal control measures:

- Regular screening of customers, distributors and transactions against publicly available sanctions lists;
- Enhanced due diligence and background checks for counterparties in higher-risk jurisdictions;
- Prior review and approval of all sales orders involving higher-risk jurisdictions by senior management;
- Use of legitimate and reputable international banks for settlement;

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- Maintenance of complete transaction documents and internal compliance records;
- Periodic internal reviews of cross-border sales activities.

As of the Latest Practicable Date, our Group has not received any inquiry, investigation, penalty, sanction or enforcement action from any regulatory authorities in connection with its international sales. The Directors confirm that our Group’s international sales are conducted in compliance with applicable laws and regulations, and no material sanctions risk exists in relation to our Group’s business.

Our Company confirms and undertakes not to enter into any future business or make any future sales to any sanctioned countries or targets that would implicate restrictions under International Sanctions. Our Directors are of the view that, and as concurred by the Sole Sponsor, the above measures are adequate and effective for us to comply with applicable International Sanctions laws and to address sanctions risks, and our transactions with the customers during the Track Record Period did not result in, and we are not subject to, any material sanctions risk.

Transfer Pricing and Related Party Transactions

Our Group has adopted internal policies for related party transactions and transfer pricing to ensure compliance with applicable tax laws and the arm’s length principle. All intercompany transactions are conducted based on normal commercial terms, consistent with transactions between Independent Third Parties.

Our Group has implemented internal controls to review, approve and monitor related party transactions on an ongoing basis. Our Directors confirm that our Group’s transfer pricing arrangements are consistent with the functions, assets and risks of each Group entity and do not involve improper profit shifting.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process personal data. We believe that the confidentiality, integrity and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

We have set up a comprehensive internal data protection framework which is designed to manage and control access to confidential information effectively. To this end, we have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorisation can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties. Furthermore, our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorised disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality.

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 unauthorised use of customers’ or distributors’ personal information.

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ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Overview

As a technology company, our Group provides intelligent printing equipment, counter intelligent terminals and digital solutions for the finance, postal and taxation sectors. We conduct all our business activities and operations in compliance with applicable national and local laws and regulations, including those relevant to ESG matters. We have formulated comprehensive internal policies covering environmental, social and governance aspects. We are committed to meeting applicable ESG requirements and maintaining transparency in stakeholder engagement and disclosure.

Governance

ESG Governance

Our Board of Directors sits at the highest governance level and is responsible for overseeing ESG and climate-related matters. The Board is responsible for formulating and overseeing our Group’s ESG and climate-related governance policies, goals and strategies, including the processes for identifying, assessing, prioritising and managing material ESG and climate-related matters that encompass the risks and opportunities relevant to our Group’s business, to ensure they are appropriately considered within our Group’s overall business strategy and risk management framework. The Board holds regular meetings to review the effectiveness of implemented measures, monitors progress against integrated ESG and climate-related targets, and makes adjustments as appropriate.

The Board has delegated authority to senior management for the day-to-day oversight of ESG and climate-related matters, including monitoring the implementation and progress of related initiatives. All departments across our Group support senior management in the daily execution of such responsibilities and provide regular reports to senior management on progress, challenges and key developments, to ensure effective oversight and timely follow-up.

Materiality Assessment

Our Group regularly undertakes materiality assessments to proactively identify and prioritise ESG matters that are relevant to our business operations and sustainable long-term development. These assessments take into account our strategic objectives, industry practices, stakeholder expectations, and evolving sustainability trends. The outcomes provide important guidance for the development of our ESG strategy and the determination of our reporting focus.

ESG Goals and Targets

In line with our Group’s strategic development, industry characteristics, and sustainable development priorities, we have identified five key ESG areas, each with defined objectives:

- **ESG Governance:** Maintain robust ESG governance structures and maintain a strict zero-tolerance approach against corruption.
- **Operation Responsibility:** Maintain high product quality standards, ensure responsible and sustainable supply chain operations and safeguard intellectual property rights.
- **Environment Responsibility:** Minimise emissions and adverse environmental impacts, while enhancing resource efficiency.
- **Social Responsibility:** Provide a safe, fair and inclusive workplace for all employees.
- **Community Investment and Engagement:** Support community programs and participate in public welfare initiatives.

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Business Ethics

Our Group commits to adherence to the national and local laws and regulations. To ensure the conduct of our business operations adheres to high standards of integrity, our Group has formulated internal policies, including the “Employee Handbook”, which sets out clear guidelines for ethical business practice.

The “Employee Handbook” explicitly outlines prohibited activities related to business interests, including conflicts of interest, the corresponding avoidance measures, the duty of confidentiality, and the categories of personnel ineligible for employment. It also clearly specifies the circumstances under which our Group will immediately terminate an employee’s contract, as well as the penalties and compensation obligations that employees may face for non-compliance. In addition, it details different levels of disciplinary actions, with each level corresponding to the severity of the violation.

Besides, our Group has incorporated confidentiality obligations into separate “Confidentiality Agreements” signed with all employees, which serve as a supplement to individual employment contracts. These “Confidentiality Agreements” cover various aspects in detail, including information security, intellectual property rights, technical information and other confidential data, and clearly define the scope of confidential information scope, obligations, term and breach liability.

Furthermore, our procurement contracts explicitly set out the codes of conduct that align with our ethical business standards. We encourage employees and relevant parties to report any internal violations of discipline or law, fraudulent behaviour, or other acts that may damage our Group’s interests, reputation or corporate image.

Operation

Supply Chain Management

For every new supplier, our Group requires them to complete the "New Supplier Development Application Form", which is used for our later evaluation. Our supplier selection criteria include, but are not limited to, product quality, delivery performance, production capacity and compliance status. In addition, we require our suppliers to make commitments related to environmental protection and safety, to ensure their products comply with our quality, safety and environmental standards as specified in our procurement contracts with them. These contracts further include requirements for suppliers to adhere to ethical business standards. Moreover, we conduct supplier evaluations on both an annual and seasonal basis, and any supplier that fails to meet our cooperation standards will be removed from our list of qualified suppliers.

The table sets out the supplier distribution during the Track Record Period:

	Year ended December 31,	
	2024	2025
Total	322	327

Product Responsibility

Our dedication to quality, safety and reliability is embedded in every stage of our product life cycle, guided by rigorous management practices. To uphold consistent product quality and meet all regulatory obligations, we hold the ISO 9001 Quality Management System Certificate. All products undergo comprehensive testing prior to market launch, ensuring quality, safety and early resolution of potential issues. All public information related to product sales and marketing is also thoroughly reviewed before release, ensuring legal compliance, accuracy and freedom from errors or misleading content.

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Our Group maintains a robust customer complaint handling process, with all complaints addressed promptly, followed up on and independently investigated to determine root causes. We analyse complaints regularly to identify recurring issues and implement corrective actions, and conduct periodic customer satisfaction surveys to gather feedback for product and service improvement.

Intellectual Property Protection

Our Group maintains a formal intellectual property management system under the “Intellectual Property Rights Management Policy”. This policy governs the creation, registration, utilisation and protection of its intellectual property rights. We also set out clear provisions for employee onboarding and offboarding obligations as well as incentive and disciplinary measures relating to intellectual property. Furthermore, confidentiality obligations are set out in the “Confidentiality Agreements” signed by all employees to safeguard our Group’s confidential information and intellectual assets.

Environment Responsibility

Given that our business includes manufacturing operations, we attach significant importance to our environmental responsibilities. We strictly comply with all applicable national and local environmental laws, regulations and standards. We have obtained the ISO 14001 Environmental Management System certification, which provides a systematic framework for managing our environmental performance.

Air Pollutants Management

Our Group’s main air pollutant emissions are generated from exhaust gas produced during production, including soldering, tin dipping, laser welding, glue dispensing, glue baking, print head grinding, mould grinding, injection moulding and crushing processes. We have completed the environmental impact assessment (EIA) for our existing production processes in compliance with applicable regulatory requirements. We will conduct additional EIA as required by law for new projects or material process changes.

Given our Group’s involvement in manufacturing operations, we continuously monitor air quality at our production sites and engage accredited third-party laboratories to conduct periodic exhaust gas testing in compliance with applicable regulatory requirements. These targeted monitoring and testing measures enable us to track key air pollutants effectively and implement appropriate improvements to ensure compliance with environmental standards.

Use of Resources

Our Group’s principal resource consumption consists of purchased electricity, water, and fuels used for our vehicles, production operations and boilers for heating. We have implemented a range of targeted measures to improve resource efficiency and reduce overall consumption.

For energy conservation, our Group has installed motion-sensor lighting, adopted Grade 1 energy-efficiency split air conditioners, and used high-efficiency lighting equipment including T5 fluorescent tubes and LED lights. We also optimise lighting layouts by reducing the number of fittings in areas with excessive illumination to avoid unnecessary energy use.

For water conservation, employees are encouraged to turn off taps securely after use, and water-saving reminders are displayed in all washroom facilities. Besides, we regularly monitor water meter readings to detect hidden leaks, and any leaking taps are repaired promptly. No water sourcing issues were identified during the Track Record Period.

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The table sets out the energy and water consumption during the Track Record Period:

	Unit	Year ended December 31,	
		2024	2025
Total Energy Consumption	MWh	1,427.16	1,413.35
Intensity – Total Energy Consumption	MWh/RMB million in revenue	9.91	11.00
Total Water Consumption	m ³	6,016.00	7,615.00
Intensity – Water Consumption	m ³ /RMB million in revenue	41.79	59.25

Waste Management

Our waste mainly comprises non-hazardous waste and hazardous waste. Non-hazardous waste mainly includes general office waste. Hazardous waste mainly includes waste rags and gloves, waste packaging containing machine oil and grease, and waste activated carbon. We implement various measures to minimise the generation of non-hazardous waste across our operations. We promote the reuse of envelopes, binders, file cards and other office supplies, and facilitate the recycling of waste paper, metals and plastics through designated waste sorting bins and appropriate facilities. As for hazardous waste, we collaborate with certified third-party contractors to manage our collection and treatment process, with strict adherence to relevant safety and regulatory requirements.

The table sets out the non-hazardous and hazardous wastes generated amount during Track Record Period:

	Unit	Year ended December 31,	
		2024	2025
Non-hazardous waste	tonnes	301.00	305.59
Intensity – Non-hazardous waste	tonnes/RMB million in revenue	2.09	2.38
Hazardous waste	tonnes	5.14	5.39
Intensity – Hazardous waste	tonnes/RMB million in revenue	0.04	0.04

Climate Change

Given that our Group’s operations include manufacturing and office activities in both China and Italy, climate change may pose adverse impacts on our Group. We attach significant importance to such risks and has identified our material physical and transition risks.

Regarding physical risks, extreme weather events such as typhoons and flooding may affect our Group. As most of our manufacturing and office facilities are located in China, extreme weather may lead to supply chain disruptions, interrupt the daily functioning of office and manufacture sites, increase ongoing maintenance expenses, and even present potential risks to employee well-being and business continuity. To mitigate these risks, we provide medical insurance cover for employees, monitors weather updates from official observatories, arranges for early employee leave when necessary, and maintains appropriate preparedness measures to safeguard operational stability.

Regarding the transition risks, our Group may face evolving requirements and regulations imposed on our existing products and services by relevant authorities and stakeholders. There has also been an increase in climate-related litigation brought by various stakeholders against organisations that fail to mitigate climate change impacts or comply with applicable climate-related policies and regulations. As climate-related compliance obligations intensify, our exposure to litigation risk may rise accordingly. To address these transition risks, we closely monitor regulatory developments, enhance internal compliance management, and integrate climate-related considerations into our business and operational planning.

BUSINESS

Apart from implementing mitigation and response measures to address the adverse impacts of climate change, our Group is actively taking action to reduce greenhouse gas (“GHG”) emissions and our inventory of GHG measures are in line with GHG Protocol.

The table sets out the GHG emission during the Track Record Period:

	Unit	Year ended December 31,	
		2024	2025
Scope 1 – Direct GHG emissions ¹	tCO ₂ e	13.29	3.81 ³
Scope 2 – Indirect GHG emissions ²	tCO ₂ e	723.72	736.49
Total GHG Emission	tCO ₂ e	737.01	740.31
Intensity – Total GHG Emissions	tCO ₂ e/RMB million in revenue	5.12	5.76

Note:

1. Scope 1 emissions mainly consist of vehicles utilised and heating boilers.
2. Scope 2 emissions mainly consist of purchased electricity for office and production activities.
3. The variance is mainly attributable to the petrol vehicle utilised in FY24, which is no longer in use during FY25.

Social Responsibility

Labour Management

Our Group adheres to all relevant national and local laws and regulations governing labour relations. We are committed to providing a fair and non-discriminatory workplace, where every stage of the employment life cycle, including recruitment, promotion and termination, is conducted without discrimination on the grounds of age, marital and family status, ethnicity, nationality, religious belief or any other protected characteristic.

Our “Employee Handbook” outlines standardised procedures for all employment-related processes, from recruitment through to termination. In addition, it clearly sets out the relevant statutory and non-statutory benefits available to employees, as well as our policy of providing competitive remuneration packages that are commensurate with employees’ roles, responsibilities and market standards.

Our Group strictly prohibits the use of child labour and forced labour in all our operations. We conduct thorough verifications of employees’ identity documents and relevant credentials prior to employment to verify their eligibility to work, ensuring full compliance with labour laws and our commitment to ethical labour practices.

The following table sets out our Group’s workforce size during the Track Record Period:

Employment Indicator	Year ended December 31,	
	2024	2025
Total Employee ¹	194	150
By Gender		
Male	113	73
Female	81	77
By Age		
≤ 30 years old	55	29
30-50 years old	118	101
≥ 50 years old	21	20

BUSINESS

Note:

1. Total employee includes full time employees and labour dispatch.

Occupational Health and Safety

Our Group strictly comply with all relevant national and local laws and regulations governing occupational health and safety, and provide medical insurance coverage for all our employees.

We have formulated internal policies emphasising a safe and healthy working environment, ensuring our workplaces meet or exceed legal requirements, and our management personnel are responsible for upholding relevant safety standards. For work involving higher risks, we have established safety measures, provided protective equipment for employees and prohibited risky activities such as smoking in prohibited areas. We conduct fire drills at least twice a year to enhance employees’ fire safety awareness and emergency response capabilities. In addition, we have comprehensive procedures for handling work-related injuries, including conducting thorough investigations and completing a "Work Injury Report" within 24 hours of any incident.

During the Track Record Period, there is no work-related injury in our operational areas.

Training and Development

Our Group prioritises employee training and development to boost professional capabilities, support personal growth and drive our long-term growth. As specified in the “Employee Handbook”, we provide role-specific internal training, including induction and technical programmes, and offer financial support for employees to attend external training, helping them enhance skills and contribute to our Group’s long-term growth.

Community Investment and Engagement

Our Group is committed to contributing to the communities in which we operate through community investment and corporate social initiatives, including charitable donations. Going forward, we will uphold our long-standing commitment to sustainable community development by strengthening collaboration with stakeholders, allocating continued resources to community programs, and exploring effective ways to support the long-term development and well-being of the communities we serve.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zheng Xiaohui, Shenzhen Yun’ao and Shenzhen Yunzhong directly held 1.57%, 28.66% and 17.71% in our Company. Mr. Zheng Xiaohui and Ms. Zhao Hui, the spouse of Mr. Zheng Xiaohui, held 95.00% and 5.00% of the interest, respectively, in Shenzhen Yun’ao, which acts as the general partner of Shenzhen Yunzhong. Mr. Zheng Xiaohui and Ms. Zhao Hui are deemed to be the beneficial owners of the 17.71% equity interest in the Company held by Shenzhen Yunzhong. Accordingly, Mr. Zheng Xiaohui, Ms. Zhao Hui, Shenzhen Yun’ao and Shenzhen Yunzhong will be regarded as our Controlling Shareholders under the GEM Listing Rules before the [REDACTED].

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zheng Xiaohui, Ms. Zhao Hui, Shenzhen Yun’ao and Shenzhen Yunzhong will collectively be entitled to exercise approximately [REDACTED]% voting rights in our Company and thus remain as our Controlling Shareholders. For background and biographical details of Mr. Zheng Xiaohui and Ms. Zhao Hui, please refer to the section headed “Directors and Senior Management – Board of Directors” in this document.

COMPETITION

Our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, they did not have any interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business and which would require disclosure under Rule 11.04 of the GEM Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates after the [REDACTED]:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the [REDACTED], our Board will consist of three executive Directors, three non-executive Director and three independent non-executive Directors. See “Directors and Senior Management” in this document for details. Our Directors believe that our Board and senior management have been and will continue to be able to independently manage our business and function independently from our Controlling Shareholders based on the following grounds:

- (i) each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;
- (ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between us and our Directors or their respective associates, the interested Director(s) 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;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (iii) our daily management and operations are carried out by our executive Directors and our senior management team, all of whom have substantial experience in the industry in which our Company is engaged and/or business management in general, and will therefore be able to make business decisions that are in the best interest of our Company;
- (iv) we have three independent non-executive Directors who have extensive experience in different professions. They have been appointed to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. Our Directors believe that the presence of our independent non-executive Directors from different backgrounds provides a balance of views and opinions; and
- (v) 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 Measures” in this section below.

Having considered the above factors, our Directors are satisfied that our Board together with the senior management team as a whole is able to perform their roles independently from our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

We operate independently from our Controlling Shareholders and their respective close associates, including:

- (i) we have established our own organisation structure, which comprises individual departments and each department has its own administrative and corporate governance infrastructure;
- (ii) we hold all of the relevant licenses and intellectual property rights material to our business operation and have sufficient capital, facilities, equipment and employees to operate our business independently;
- (iii) our Controlling Shareholders have no interest in any of our top five suppliers and customers during the Track Record Period. We do not rely on our Controlling Shareholders or their close associates and have independent access to our suppliers and customers; and
- (iv) we have established a set of internal control procedures to facilitate the effective operation of our business independent from our Controlling Shareholders.

Having considered the above factors, our Directors are of the view that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial, internal control and accounting system. We make financial decisions according to our own business needs. We also have an independent finance department responsible for discharging the treasury function, and the Audit Committee to oversee our accounting and financial reporting processes. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

We do not rely on our Controlling Shareholders or their close associates to provide financial assistance to our Group. We have independent access to third party financing and our Directors believe that, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their close associates. As of the Latest Practicable Date, none of our Controlling Shareholders or their close associates had provided any loans, borrowings or guarantees to our Group. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protection of our Shareholders’ interests. Our Company will comply with the provisions of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules, which sets out principles of good corporate governance. In addition, we have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (i) where a General meeting is held to consider proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, our Controlling Shareholders will not vote on the relevant resolutions and shall not be counted in the quorum in the voting;
- (ii) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable provisions of the GEM Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after [REDACTED];
- (iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for their annual review, including all relevant financial, operational and market information;
- (v) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and annual reports or by way of announcements as required by the GEM Listing Rules;
- (vi) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses;
- (vii) we have appointed Eddid Capital Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. Our compliance adviser will act for us from the [REDACTED] and up to the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]; and
- (viii) we have established our Audit Committee, Remuneration Committee and Nomination Committee with written terms of reference in compliance with the GEM Listing Rules and the Corporate Governance Code. All of the members of our Audit Committee are independent non-executive Directors, and the majority of the members, including the chairman, are independent non-executive Directors.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

CONNECTED TRANSACTION

OVERVIEW

Prior to the [REDACTED], our Group has entered into an office lease agreement (the “**Office Lease Agreement**”) in our ordinary and usual course of business with Ms. Zhao Hui, a connected person as defined under Chapter 20 of the GEM Listing Rules. Upon the [REDACTED], such transaction will constitute a continuing connected transaction under Chapter 20 of the GEM Listing Rules.

RELEVANT CONNECTED PERSON

<u>Connected Person</u>	<u>Connected Relationship</u>
Ms. Zhao Hui	Executive Director, deputy general manager and chief financial officer of the Company

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

Office Lease Agreement

Background

On January 1, 2026, our Company as lessee and Ms. Zhao Hui as lessor entered into certain Office Lease Agreement.

Principal terms

The following table sets out the principal terms of the Office Lease Agreement:

Parties:	Our Company, as the tenant Ms. Zhao Hui, as the landlord
Terms:	From January 1, 2026 to December 31, 2026 (both days inclusive)
Properties to be leased:	Room 1812, West Tower, Coast Building, No. 33 Wenxin 5th Road, Haizhu Community, Yuehai Subdistrict, Nanshan District, Shenzhen, Guangdong Province, PRC
Gross floor area:	147.97 sq.m.
Annual rental:	RMB180,000 (inclusive of tax)
Use of properties:	Office

Historical figures

Historically, the lease agreement in respect of the same premise for the years ended December 31, 2024 and 2025 were RMB205,714 and RMB205,714, respectively, which were paid by the Company to Ms. Zhao.

Annual rentals

For the years ending December 31, 2027, 2028 and 2029, the total annual rentals payable by the Company to Ms. Zhao (assuming renewal on same terms upon expiry) is expected to be approximately RMB180,000, RMB180,000 and RMB180,000, respectively.

CONNECTED TRANSACTION

Reasons

We have historically leased the abovementioned premise from Ms. Zhao as our office. As such, any relocation of our office by cessation of such lease would incur unnecessary costs.

Our Directors (including our independent non-executive Directors) and the Sole Sponsor are of the view that the Office Lease Agreement was entered into: (i) in the ordinary and usual course of business of our Company; (ii) on arm’s length basis; and (iii) on normal commercial terms with the rent being determined with reference to the prevailing market rates for similar properties in the same area and the square meters rented. Notwithstanding the above, the Office Lease Agreement does not affect our operational independence. For further details, please see “Relationship with Controlling Shareholders – Independence from Our Controlling Shareholders – Operational Independence” in this document.

Implications under the GEM Listing Rules

Since each of the applicable percentage ratios for the Office Lease Agreement calculated in accordance with Chapter 19 of the GEM Listing Rules is expected to be less than 5% and the annual consideration is less than HK\$3,000,000, the Office Lease Agreement will constitute fully exempt continuing connected transactions of the Company under Rule 20.74 of the GEM Listing Rules. Accordingly, the Office Lease Agreement and the office lease transaction contemplated thereunder will be exempt from the shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules upon [REDACTED].

SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of our Directors, the following persons will, immediately after the completion of the [REDACTED] (without taking into account any H Shares which may be issued upon the exercise of the [REDACTED]), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

Name of shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Number and description of Shares	Approximate percentage of shareholding in the issued share capital of our Company ⁽⁸⁾	Number and description of Shares	Approximate percentage of shareholding in our Company in the total issued share capital of our Company ⁽⁹⁾
Shenzhen Yun'ao	Beneficial owner	22,500,000 Unlisted Shares	28.66%	[REDACTED]	[REDACTED]
Mr. Zheng Xiaohui	Interest in controlled corporation ⁽¹⁾	22,500,000 Unlisted Shares	28.66%	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	13,905,000 Unlisted Shares	17.71%	[REDACTED]	[REDACTED]
	Beneficial owner	1,230,000 Unlisted Shares	1.57%	[REDACTED]	[REDACTED]
Ms. Zhao Hui	Interest in controlled corporation ⁽¹⁾	22,500,000 Unlisted Shares	28.66%	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽²⁾	13,905,000 Unlisted Shares	17.71%	[REDACTED]	[REDACTED]
	Interest of spouse ⁽³⁾	1,230,000 Unlisted Shares	1.57%	[REDACTED]	[REDACTED]
Ms. Gao Huanming	Beneficial owner	4,500,000 Unlisted Shares	5.73%	[REDACTED]	[REDACTED]
	Interest of spouse ⁽⁴⁾	2,670,000 Unlisted Shares	3.40%	[REDACTED]	[REDACTED]
Mr. Pan Jingshao	Beneficial owner	2,670,000 Unlisted Shares	3.40%	[REDACTED]	[REDACTED]
	Interest of spouse ⁽⁴⁾	4,500,000 Unlisted Shares	5.73%	[REDACTED]	[REDACTED]
Shenzhen Yunzhong	Beneficial owner	13,905,000 Unlisted Shares	17.71%	[REDACTED]	[REDACTED]
Infotech Fund	Beneficial owner	20,000,000 Unlisted Shares	25.48%	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Number and description of Shares	Approximate percentage of shareholding in the issued share capital of our Company ⁽⁸⁾	Number and description of Shares	Approximate percentage of shareholding in our Company in the total issued share capital of our Company ⁽⁹⁾
Infotech Ventures	Beneficial owner	2,475,000 Unlisted Shares	3.15%	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁵⁾	20,000,000 Unlisted Shares	25.48%	[REDACTED]	[REDACTED]

Notes:

- (1) Shenzhen Yun’ao is owned as to 95.00% by Mr. Zheng Xiaohui and 5.00% by Ms. Zhao Hui. Mr. Zheng Xiaohui and Ms. Zhao Hui are therefore deemed to be interested in the 22,500,000 Shares held by Shenzhen Yun’ao under the SFO.
- (2) Shenzhen Yun’ao acts as the general partner of Shenzhen Yunzhong. Shenzhen Yun’ao is directly wholly owned by Mr. Zheng Xiaohui and Ms. Zhao Hui. Accordingly, Mr. Zheng Xiaohui and Ms. Zhao Hui are deemed to be interested in the 13,905,000 Shares held by Shenzhen Yunzhong pursuant to the SFO.
- (3) Ms. Zhao Hui is the spouse of Mr. Zheng Xiaohui, and therefore, Ms. Zhao Hui is deemed to be interested in the 1,230,000 Shares held by Mr. Zheng Xiaohui pursuant to the SFO.
- (4) Ms. Gao Huanming and Mr. Pan Jingshao are spouses. Accordingly, Ms. Gao Huanming and Mr. Pan Jingshao are deemed to be interested in the Shares held by each other under the SFO.
- (5) The general partner of Infotech Fund is Infotech (Shenzhen) Emerging Industry Investment Fund Management Co., Limited (盈富泰克(深圳)新興產業投資基金管理有限公司), which is owned 50.00% by Infotech Ventures and 50.00% by Shenzhen Xinhaitai Investment Consulting Co., Limited (深圳市鑫海泰投資諮詢有限公司) respectively. Accordingly, Infotech Ventures is deemed to be interested in the 20,000,000 Shares held by Infotech Fund pursuant to the SFO.
- (6) All interests stated are long positions.
- (7) Assuming the [REDACTED] is not exercised.
- (8) The calculation is based on the total number of 78,500,000 Shares in issue as at the Latest Practicable Date.
- (9) The calculation is based on the total number of [REDACTED] H Shares in issue immediately after the completion of the [REDACTED] (without taking into account the H Shares which may be issued upon the exercise of the [REDACTED]).

Save as disclosed in this section, our Directors are not aware of any other persons who will, immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have interests or short positions in the Shares or underlying shares of our Company which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board is responsible for the overall management and operation of our business. Our Board will consist of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. The following table sets forth certain information regarding our Directors and senior management:

Name	Age	Position	Time Joining Our Group	Date of the first appointment as a Director	Roles and Responsibilities	Relationship with other Directors and senior management
Mr. Zheng Xiaohui (鄭曉暉)	48	Chairman, executive Director and general manager	June 2012	December 2015	Responsible for strategic planning and leading the Board, and the overall business management of our Group	Spouse of Ms. Zhao Hui
Ms. Zhao Hui (趙慧)	47	Executive Director, deputy general manager and chief financial officer	June 2012	December 2015	Responsible for financial management and company document management of our Group	Spouse of Mr. Zheng Xiaohui
Ms. Chen Deying (陳德英)	61	Executive Director and deputy general manager	July 2016	July 2017	Responsible for strategic decision-making for business development, R&D activities and sales and development in international regions	None
Mr. Zhang Peng (張鵬)	40	Non-executive Director and senior regional manager	December 2015	December 2015	Providing professional opinion and judgement to the Board	None
Ms. Gao Huanming (高煥明)	75	Non-executive Director	December 2015	December 2015	Providing professional opinion and judgement to the Board	None
Mr. Ji Wenjie (吉文杰)	46	Non-executive Director	March 2022	March 2022	Providing professional opinion and judgement to the Board	None
Mr. Li Siu Bun (李兆彬)	41	Independent non-executive Director	June 2026	June 2026	Responsible for supervising and providing independent judgement to our Board	None
Ms. Wong Yee Shuen Regina (王綺璇)	51	Independent non-executive Director	June 2026, with effect from the [REDACTED]	[REDACTED]	Responsible for supervising and providing independent judgement to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Time Joining Our Group	Date of the first appointment as a Director	Roles and Responsibilities	Relationship with other Directors and senior management
Ms. Wu Ying (吳櫻)	43	Independent non-executive Director	June 2026, with effect from the [REDACTED]	[REDACTED]	Responsible for supervising and providing independent judgement to our Board	None

DIRECTORS

Executive Directors

Mr. Zheng Xiaohui, aged 48, is the chairman of the Board, an executive Director of our Group. Mr. Zheng has been serving as a Director of our Company since December 2015. He is primarily responsible for strategic planning, leading the Board and overall business management of our Group.

Mr. Zheng Xiaohui has more than 20 years of experience in business management. From June 2006 to July 2007, he served as an assistant to general manager at Duomeike Information Technology (Shenzhen) Co., Ltd. (多美科信息科技(深圳)有限公司), a company principally engaged in printers for professional use as well as related consumables, where he was primarily responsible for assisting the general manager with the daily operational management of the company. From August 2007 to April 2019, he served as the general manager at Duomeike Information Technology (Shenzhen) Co., Ltd. (多美科信息科技(深圳)有限公司), with overall responsibility for the company’s operations. Since December 2015, he served as the chairman of the Board and the general manager at our Company, with overall responsibility for the Company’s board of directors and the overall operational management of the Company. Mr. Zheng is also the sole director at Pu Ying Olicom and Olicom International S.r.l..

Mr. Zheng Xiaohui obtained a bachelor’s degree in economics from University of Western Ontario in Canada in October 2003.

In April 2019, Mr. Zheng Xiaohui was awarded the “Shenzhen High-Level Professional Talent Certificate” by the Human Resources and Social Security Administration of Shenzhen Municipality, and in July 2019, he was awarded the “Bao’an District High-Level Talent Certificate” by the Human Resources Bureau of Bao’an District, Shenzhen.

Ms. Zhao Hui (趙慧), aged 47, is an executive Director, deputy general manager and the chief financial officer of our Company. Ms. Zhao Hui joined our Group in June 2012 and was appointed as Director on December 24, 2015. She is primarily responsible for financial management and company document management.

Ms. Zhao Hui has more than 20 years of experience in financial management. Prior to joining our Group, from August 2006 to February 2019, she served as a finance manager at Duomeike Information Technology (Shenzhen) Co., Ltd. (多美科信息科技(深圳)有限公司), a company engaged in the development and production of dot print heads, dot matrix printers as well as related consumables, where she was primarily responsible for financial management.

Ms. Zhao Hui obtained a bachelor’s degree in economics from University of Western Ontario in Canada in October 2003.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Chen Deying (陳德英), aged 61, is an executive Director and deputy general manager of our Company. Ms. Chen Deying joined our Group in July 2016 and was appointed as our Director in July 2017. She is primarily responsible for strategic decision-making for business development, R&D activities and sales and development in international regions.

Ms. Chen Deying has more than 43 years of experience in the electronics information industry. Prior to joining our Group, from September 1982 to June 2016, Ms. Chen Deying worked at Yunnan Nantian Electronics Information Industry Co., Ltd. (雲南南天電子信息產業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000948), where she served various positions including technician, translator, project manager, secretary to the board, general manager of international business department, vice president, and was primarily responsible for the company’s international business and the operation of financial equipment.

Ms. Chen Deying obtained a diploma in English from Yunnan Province Higher Education Self-study Examination (雲南省高等教育自學考試) in the PRC in 1986. In July 1996, she obtained a master’s degree in English literature from Yunnan University (雲南大學) in the PRC.

Ms. Chen Deying obtained the qualification of Engineer from the Intermediate Professional Technical Job Title Evaluation Committee of Nantian Electronics Group (南天電子集團公司中級專業技術職務任職資格評審委員會) in July 1995. Ms. Chen Deying has served as the vice president of the Yunnan Women Entrepreneurs Association (雲南省女企業家協會) from 2022 to December 2024.

Non-executive Director

Mr. Zhang Peng (張鵬), aged 40, is a non-executive Director of our Company. Mr. Zhang Peng joined our Group in December 2015 and was appointed as Director in December 2015. He is primarily responsible for providing professional opinion and judgement to the Board.

Mr. Zhang Peng has more than 18 years of experience in sales. Prior to joining our Group, from September 2007 to July 2015, he worked at Shanghai Roche Pharmaceuticals Ltd. (上海羅氏製藥有限公司), where he was primarily responsible for the sales in Yunnan area. From August 2015 to present, he has worked at Xiamen Amoytop Biotech Co., Ltd. (廈門特寶生物工程股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688278), where he served various positions including regional sales manager, senior regional sales manager and senior major regional manager, and is primarily responsible for academic promotion of regional products.

Mr. Zhang Peng obtained a bachelor’s degree in English from School of International Relations, National University of Defense Technology (中國人民解放軍國際關係學院) in the PRC in July 2007.

Ms. Gao Huanming (高煥明), aged 75, is a non-executive Director of our Company. Ms. Gao Huanming joined our Group in December 2015 and was appointed as our Director in December 2015. She is primarily responsible for providing professional opinion and judgement to the Board.

Ms. Gao Huanming has more than 50 years of experience in sales and management. Prior to joining our Group, she worked at Foshan Cathode Ray Tube Factory (佛山市顯象管廠), where she was primarily responsible for the production. From April 1993 to April 1996, she served as manager at Shiwan Huatai Industry & Trade Group (石灣華泰工貿集團公司), and was promoted to deputy manager from April 1996 to April 1999. Since October 2001, she has served as the deputy general manager at Foshan Hengrunfeng Nonferrous Metals Co., Ltd. (佛山市恒潤豐有色金屬有限公司).

Mr. Ji Wenjie (吉文杰), aged 46, is a non-executive Director of our Company. Mr. Ji Wenjie joined our Group in March 2022 and was appointed as our Director in March 2022. He is primarily responsible for providing professional opinion and judgement to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ji Wenjie has more than 20 years of experience in automation research and investment management. From May 2006 to March 2019, he worked at Metallurgy Automation Research & Design Institute (冶金自動化研究設計院), where he was primarily responsible for research. Since April 2019, he has served as the deputy general manager at Yingfu Taike (Shenzhen) Emerging Industry Investment Fund Management Co., Ltd. (盈富泰克(深圳)新興產業投資基金管理有限公司), where he is primarily responsible for investment management.

Mr. Ji Wenjie obtained a bachelor’s degree in electrical engineering and automation from China University of Mining and Technology (中國礦業大學) in the PRC in July 2003. Mr. Ji obtained a master’s degree in control theory and control engineering from Metallurgy Automation Research & Design Institute (冶金自動化研究設計院) in the PRC in August 2006. He obtained the qualification of Senior Engineer from China Iron & Steel Research Institute Group (中國鋼研科技集團有限公司) in August 2013.

Independent Non-executive Directors

Mr. Li Siu Bun (李兆彬), aged 41, is our independent non-executive Director.

Mr. Li Siu Bun has over 19 years of experience in financial management, corporate finance and auditing. From September 2006 to February 2010, Mr. Li Siu Bun served at Deloitte Touche Tohmatsu, initially as an associate and subsequently promoted to senior in October 2008, where he led the audit teams to conduct audit work in accordance with Hong Kong and U.S. GAAP. Mr. Li Siu Bun served as the chief financial officer and joint company secretary of Lanzhou Zhuangyuan Pasture Co., Ltd. (蘭州莊園牧場股份有限公司) (a company previously listed on the Stock Exchange (stock code: 1533.HK) and currently listed on the Shenzhen Stock Exchange (stock code: 002910.SZ)) from March 2015 to January 2019, overseeing its H-share and A-share listings and coordinating company secretarial and corporate finance related matters. He then served as the chief financial officer and company secretary of each of Hope Life International Holdings Limited (曠逸國際控股有限公司), (stock code: 1683.HK) and CHK Oil Limited (中港石油有限公司) (stock code: 0632.HK), from November 2019 to November 2021 and from November 2022 to July 2024, respectively. In addition, Mr. Li Siu Bun served as an independent non-executive director of Fullwealth International Group Holdings Limited (富匯國際集團控股有限公司) (a company previously listed on the Stock Exchange (stock code: 1034.HK)) from July 2021 to May 2023, and has been serving as an independent non-executive director of Tong Ren Tang Technologies Co., Ltd. (北京同仁堂科技發展股份有限公司) (stock code: 1666.HK) from June 2024 to February 2026.

Mr. Li Siu Bun obtained his Master of Business Administration degree from The University of Hong Kong (香港大學) in 2013 and his Bachelor of Business Administration degree, majoring in Finance with a minor in Economics, from Lingnan University (嶺南大學) in 2006. He is also a Certified Public Accountant (CPA), accredited in January 2010 by the Hong Kong Institute of Certified Public Accountants (香港會計師公會) (the “HKICPA”).

Ms. Wong Yee Shuen Regina (王綺璇), aged 51, is our independent non-executive Director.

Ms. Wong Yee Shuen Regina has over 25 years of experience in accounting, mergers and acquisitions, private equity, IPOs, listed company management, and auditing. Since 2011, Ms. Wong Yee Shuen Regina has served as director and responsible officer of Euto Capital Partners Limited, a highly accomplished financial services group that offers a diverse range of services, including financial advisory, asset management, direct investment, and family office services. Under her leadership, between 2016 and 2018, Euto Capital Partners Limited acted as an independent financial adviser to Greenheart Group Limited (stock code: 0094.HK) and Newton Resources Ltd (stock code: 1231.HK). From October 2013 to August 2015, she served as an executive director and chief executive officer of Gome Finance Technology Co., Ltd. (國美金融科技有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wong Yee Shuen Regina is currently studying in the Master of Science (MSc) in Drug Regulatory Affairs and Policy in the Hong Kong University of Science and Technology (香港科技大學). She obtained her Master of Business Administration degree from The Hong Kong University of Science and Technology (香港科技大學) in 2001 and her Bachelor of Commerce degree from the University of British Columbia, Canada in 1996. She is a fellow member of the HKICPA.

Ms. Wu Ying (吳櫻), aged 43, is our independent non-executive Director.

Ms. Wu Ying has over 20 years of experience in financial advisory for listed companies, auditing and corporate management. Ms. Wu Ying has been a general manager at Shanghai Hekun Business Consulting Partnership (Limited Partnership) (上海翺錕商務諮詢合夥企業(有限合夥)) since September 2019, where she is primarily responsible for financial due diligence and acts as a financial adviser to acquirers in M&A transactions. Prior to that, she was the chief financial officer of N1 Holdings Limited (諾壹控股有限公司) from February 2018 to September 2019, overseeing financial strategy, financial management, and internal controls. From August 2008 to July 2016, she worked at Ernst & Young Hua Ming LLP, Shanghai Branch (安永華明會計師事務所(特殊普通合夥)上海分所), serving as senior manager in the auditing department and responsible for finance and accounting work. From August 2005 to August 2008, she served as an assistant manager at KPMG Huazhen LLP, Shanghai Branch (畢馬威華振會計師事務所上海分所).

Ms. Wu Ying obtained her Bachelor’s degree in Financial Management from Shanghai University of Finance and Economics (上海財經大學) in June 2005. She obtained her Certified Public Accountant practicing certificate in China in June 2008 and became a non-practicing member in September 2016.

SENIOR MANAGEMENT

The following table sets forth certain information regarding the senior management of our Group:

Name	Age	Position	Time of Joining Our Group	Date of the first appointment as a Senior Management	Roles and Responsibilities	Relationship with other Directors and senior management
Mr. Zheng Xiaohui (鄭曉暉)	48	Chairman, executive Director and general manager	June 2012	December 2015	Responsible for strategic planning and leading the Board, and the overall business management of our Group	Spouse of Ms. Zhao Hui
Ms. Zhao Hui (趙慧)	47	Executive Director, deputy general manager and chief financial officer	June 2012	December 2015	Responsible for financial management and company document management of our Group	Spouse of Mr. Zheng Xiaohui
Ms. Chen Deying (陳德英)	61	Executive Director and deputy general manager	July 2016	July 2017	Responsible for strategic decision-making for business development, R&D activities and sales and development in international regions	None
Mr. Chen Rui (陳銳)	49	Deputy general manager	September 2016	May 2022	Responsible for business development decisions and the management of business operations	None

DIRECTORS AND SENIOR MANAGEMENT

For the biographical details of Mr. Zheng Xiaohui, Ms. Chen Deying and Ms. Zhao Hui, see “– Directors” in this section.

Mr. Chen Rui (陳銳), aged 49, joined our Group in September 2016 and was appointed as deputy general manager of our Company in May 2022. He is primarily responsible for business development decisions and the management of business operations in Chinese Mainland.

Mr. Chen Rui has more than 27 years of experience in the electronics information industry. Prior to joining our Group, from July 1999 to April 2016, he worked at Yunnan Nantian Electronics Information Industry Co., Ltd. (雲南南天電子信息產業股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 000948), where he held various positions including industry manager and deputy general manager, and was primarily responsible for market development and marketing management.

Mr. Chen Rui obtained a bachelor’s degree in applied physics from Yunnan University (雲南大學) in the PRC in July 1999. In July 2004, he obtained a master’s degree in business administration from Renmin University of China (中國人民大學) in the PRC.

JOINT COMPANY SECRETARY

Ms. Zhao Hui (趙慧) was appointed as one of the joint company secretaries of our Company on May 19, 2026. For the biographical details of Ms. Zhao, please refer to the section headed “Directors and Senior Management – Executive Directors” in this document.

Mr. So Wing Chun (蘇永俊) has been appointed as our joint company secretary on May 19, 2026. Mr. So Wing Chun is a manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. Mr. So Wing Chun has over 9 years of experience in the corporate secretarial field. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. So Wing Chun is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute (香港公司治理公會) and The Chartered Governance Institute in the United Kingdom (英國特許公司治理公會). Mr. So Wing Chun obtained a Bachelor of Business Administration Degree (Honours) from Hong Kong Shue Yan University (香港樹仁大學) in 2016.

BOARD COMMITTEES

Audit Committee

The Audit Committee was established with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph D.3.3 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment and removal of external auditor, and to assist our Board in fulfilling its oversight responsibilities in relation to our Group’s financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The members of the Audit Committee are Mr. Li Siu Bun, Ms. Wong Yee Shuen Regina and Ms. Wu Ying, all of whom are independent non-executive Directors. Mr. Li Siu Bun is the chair of our Audit Committee.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and paragraph E.1.2 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the GEM Listing Rules. The primary duties of the Remuneration Committee are advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of our Company. The members of the Remuneration Committee are Ms. Wu Ying, Mr. Li Siu Bun and Ms. Zhao Hui. Ms. Wu Ying is the chair of our Remuneration Committee.

Nomination Committee

The Nomination Committee was established with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and paragraph B.3.1 of the Corporate Governance Code as set out in part 2 of Appendix C1 to the GEM Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on the Board. The members of the Nomination Committee are Ms. Wong Yee Shuen Regina, Ms. Wu Ying and Mr. Zheng Xiaohui. Ms. Wong Yee Shuen Regina is the chair of our Nomination Committee.

CONFIRMATION FROM OUR DIRECTORS

Save as disclosed above, each of our Directors confirms that he or she had not held any other directorship in any public company with securities listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document.

Rule 11.04 of the GEM Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 11.04 of the GEM Listing Rules.

Rule 5.02D of the GEM Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the GEM Listing Rules.

Rule 5.09 of the GEM Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 5.09(1) to (8) of the GEM 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 GEM Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

Rule 17.50(2) of the GEM Listing Rules

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, none of our Directors and senior management members (i) had any other relationship with any Director, senior management or substantial or controlling Shareholders of our Company; and (ii) held any other directorships in the three years prior to the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong and/or overseas.

DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed in the sections headed “Substantial Shareholders” in and “Appendix V – Statutory and General Information – 3. Further Information about our Directors and substantial Shareholders” to this document as of the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

There are no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules as of the Latest Practicable Date.

REMUNERATION POLICY

We value our employees and recognise the importance of a good relationship with our employees. The remuneration to our employees includes salaries, bonuses, benefits and other welfares.

Our Group offers competitive remuneration packages to our Directors and senior management, and the aggregate amounts of emoluments (including salaries, allowances and benefits in kind, performance related bonuses, equity-settled share-based payment expense and pension scheme contributions) for the years ended December 31, 2024 and 2025 was RMB6,406 million and RMB6,716 million, respectively.

Save as disclosed in this document, no other emoluments have been paid or are payable, in respect of the years ended December 31, 2024 and 2025 by us to our Directors and senior management.

The aggregate remuneration paid to the five highest paid individuals of our Group, excluding our Directors, for the years ended December 31, 2024 and 2025 were approximately RMB3,073 million and RMB3,070 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office during the Track Record Period.

Under the arrangements currently in force, we estimate that the aggregate amounts of emoluments (including salaries, allowances and other benefits, discretionary bonuses, and retirement scheme contribution)) payable to our Directors for the year ending December 31, 2026 will be approximately RMB4.7 million.

We have not experienced any significant problems with our employees or disruption to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff.

For additional information on Directors’ remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to Notes 8 and 9 of the Accountant’s Report as Appendix I to this document.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have adopted the board diversity policy in accordance with Rule 17.104 of the GEM Listing Rules which sets out the objective and approach to achieve and maintain appropriate balance of diverse perspectives of our Board to enhance the effectiveness of our Board.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including experience in such as electronics information as well as overall management and strategic development, business operation and accounting and financial management. We have three independent non-executive Directors who have different industry backgrounds, representing one-third of our Board members. Currently, five of our Directors are female. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of our Directors in various aspects and fields can enable our Company to maintain high standard of operation.

Our Nomination Committee is responsible for ensuring the diversity of our Board. After the [REDACTED], our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

COMPLIANCE ADVISER

We have appointed Eddid Capital Limited as our compliance adviser in compliance with Rule 6A.19 of the GEM Listing Rules. Pursuant to Rule 6A.23 of the GEM Listing Rules, the compliance adviser will advise us in certain circumstances including:

- 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 our Company proposes to [REDACTED] of the [REDACTED] in a manner different from that detailed in the [REDACTED] document or where the business activities, developments or results of the [REDACTED] deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual price movement or trading volume or other issues under Rule 17.11 of the GEM Listing Rules.

The term of the appointment shall commence on the [REDACTED] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED] and such appointment may be subject to extension by mutual agreement.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

IMMEDIATELY BEFORE THE [REDACTED]

As at the Latest Practicable Date, the registered share capital of our Company was RMB78,500,000, comprising 78,500,000 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Assuming that the [REDACTED] is not exercised, the share capital of our Company immediately upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
H Shares to be [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]%
H shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]%

Assuming that the [REDACTED] is exercised in full, the share capital of our Company immediately upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
H Shares to be [REDACTED] from Unlisted Shares	[REDACTED]	[REDACTED]%
H shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]%

Notes:

- (1) Following the completion of the [REDACTED], all 78,500,000 Unlisted Shares held by our existing Shareholders will be [REDACTED] into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED]. Filing of such [REDACTED] of Unlisted Shares into H shares has been completed with the CSRC on [•]. For details of the identities of the Shareholders whose Shares will be [REDACTED] into H Shares upon the [REDACTED], see “History, Development and Corporate Structure – Capitalisation” in this document.

SHARE CAPITAL

RANKING

Upon completion of the [REDACTED], the share capital of our Company will consist of H Shares only. All H Shares are ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai – Hong Kong Stock Connect or the Shenzhen – Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or [REDACTED] between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

[REDACTED] OF UNLISTED SHARES INTO H SHARES

Our Company has filed for a “full circulation” of 78,500,000 existing Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorisation documents of the shareholders of Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. The relevant filings of the [REDACTED] of the existing 78,500,000 Unlisted Shares held by the existing Shareholders into H Shares on a one-for-one basis have been completed on [•].

Upon completion of the [REDACTED], if any of our Shares are not [REDACTED] or [REDACTED] on any stock exchange, the holders of our Unlisted Shares (other than those to be [REDACTED] to H Shares) may [REDACTED] their Shares into H Shares provided such [REDACTED] shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such [REDACTED] Shares on the Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the [REDACTED] of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed [REDACTED] to ensure that the [REDACTED] process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the [REDACTED] Shares on the Stock Exchange. Any application for [REDACTED] of the [REDACTED] Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed [REDACTED].

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the [REDACTED] and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue [REDACTED]. Registration on our [REDACTED] will be on the condition that (a) our [REDACTED] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due despatch of [REDACTED] and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange will comply with the GEM Listing Rules and the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time. Until the [REDACTED] Shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

SHARE CAPITAL

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix IV – Summary of Articles of Association” in this document.

RESTRICTION ON TRANSFER OF SHARES [REDACTED] PRIOR TO [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued by a company prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the publicly [REDACTED] are [REDACTED] on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to its statutory restriction and not be transferred within a period of one year from the [REDACTED].

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme, details of which are set forth in “Appendix V – Statutory and General Information – 4. Employee Incentive Scheme”.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請“全流通”業務指引) announced by the CSRC, the domestic shareholders of domestic unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the [REDACTED] is completed.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants’ Report in Appendix I to this document. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, 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 section headed “Risk Factors” and “Business” in this document.

For the purpose of this section, unless the context otherwise requires, references to the year of 2024 and 2025 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this document may be due to rounding including those set forth under “Risk Factors” and “Forward-Looking Statements” in this document.

[REDACTED] should read the whole of the Accountant’s Report set out in Appendix I to this document and not rely merely on the information contained in this section.

OVERVIEW

We are a PRC-based manufacturer of enterprise-grade financial intelligent printing and document processing equipment. According to Frost & Sullivan, we ranked first globally in terms of revenue in the financial smart printing and scanning equipment market in 2025, with products distributed across more than 54 countries and regions.

During the Track Record Period, we derived substantially all of our revenue from sales of (i) mission-critical specialised printers and all-in-one printing & scanning equipment; (ii) smart kiosks and terminals; and (iii) consumables, spare parts and other products. Our revenue amounted to RMB142.9 million and RMB131.5 million for years ended December 31, 2024 and 2025 respectively, representing a decrease of 8.0%. Our gross profit amounted to RMB47.6 million and RMB45.9 million for years ended December 31, 2024 and 2025 respectively. Our net profit decreased from RMB8.0 million in 2024 to RMB2.5 million in 2025, representing a decrease of 68.3%, primarily due to (i) a decrease in revenue during the year, particularly from certain overseas markets and smart kiosks and terminals; (ii) increases in selling, administrative and research and development expenses; (iii) the impact of share-based compensation recognised during the year; and (iv) a decrease in other income and gain, mainly due to lower foreign exchange gains as compared to 2024.

BASIS OF PREPARATION

Our Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

FINANCIAL INFORMATION

For more details in relation to the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, see Note 3 to the Accountant’s Report in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including those discussed below and under the section headed “Risk Factors” in this document.

Macroeconomic and Geopolitical Environment

Our financial condition is influenced by global macroeconomic conditions and geopolitical developments. In 2025, global trade and investment have slowed, while major developed economies continue to face elevated inflation and ongoing geopolitical tensions, resulting in insufficient momentum in the recovery of external demand. During the Track Record Period, most of our revenue was derived from overseas customers, any weakness in external demand may adversely affect our revenue growth. In addition, geopolitical tensions have continued to rise, and competition in high-technology sectors has become more intense. Certain western countries have also promoted supply chain decoupling from China’s manufacturing industry. These developments may result in a more challenging international market environment, higher entry barriers and potential supply chain disruptions. Thereby, the uncertainties and operating costs of our global business expansion may increase. Furthermore, fluctuations in RMB exchange rates may affect the translated value of our overseas revenue and the price competitiveness of our export products, which may in turn impact our margins.

To address above challenges, we plan to further strengthen our integrated digital and intelligent solution capabilities by enhancing our integrated hardware, firmware, software and service offerings. We will continue to invest in research and development, upgrade our product functions and expand our intelligent self-service solutions and value-added services. We also intend to leverage our established customer base and global sales network to deepen existing customer relationships, explore new market opportunities, broaden our revenue streams and support our long-term growth.

Industry Trends and Structural Changes

Passbook printer is one of the product categories within our mission-critical specialised printers and all-in-one printing & scanning equipment. According to Frost & Sullivan, despite continued digitalisation and branch transformation, passbook printers continue to serve a stable and niche segment of the financial printer and scanning market. Unlike general office printers, passbook printers are designed for specific financial and postal scenarios that require stable and precise processing of specialised media, such as passbooks and other documents of specific formats. Demand for passbook printers is gradually shifting from new deployment to replacement and upgrade of the existing installed base. Such continued demand is primarily supported by specific customer segments, operational efficiency requirements of financial institutions, and regulatory or compliance needs for physical documentation in certain scenarios.

In response to these market trends, we are integrating passbook printers as nodes within the financial Internet of Things and incorporating them into broader intelligent terminal management systems for banks. This enables us to provide data-driven predictive maintenance and intelligent consumables delivery services, and supports our transition from a product-only model to a product & service business model. We are also actively developing industry applications in sectors such as government affairs and retail chains, where paper-based backup records or specific-format printing remain necessary.

FINANCIAL INFORMATION

Competitive Landscape and Customer Demand

For the years ended December 31, 2024 and 2025, our, PR2 Plus series passbook printers were the largest source of revenue, accounting for 46.5% and 54.6% of our total revenue, respectively. Competition in the global and PRC passbook printer market remains intense, particularly as the market transitions into a mature stage with limited incremental demand. Competition has shifted towards product performance, reliability, total cost of ownership and service capabilities, which may place pressure on our pricing and profitability.

At the same time, customer demand is evolving rapidly. Banking-sector customers are increasingly seeking integrated, intelligent and efficient solutions with lower maintenance costs. We remain focused on customer needs and continue to optimise our product competitiveness and pricing strategies. Through these efforts, we are improving overall sales volume, while further consolidating and strengthening our core technological advantages. We are also keeping pace with these evolving requirements and transition by moving from a product-oriented model to a solution- and service-oriented model.

Change in Product Mix

Our revenue and profitability are affected by our product mix as selling prices and profitability vary with different types of products. As a result, any material changes in our product mix, whether due to changes in our growth strategies, market conditions, customer demand or otherwise, may adversely affect our financial condition and results of operations.

For the years ended December 31, 2024 and 2025, our total revenue of mission-critical specialised printers and all-in-one printing & scanning equipment amounted to RMB120.7 million and RMB112.1 million, representing 84.4% and 85.2% of our total revenue for each period respectively; and our total revenue of smart kiosks & terminals amounted to RMB8.1 million and RMB5.2 million, representing 5.7% and 4.0% of our total revenue for each period respectively.

Supply Chain, Technology and Compliance

Our operations depend on the stable supply of key components, such as printheads and control chips, some of which are technologically advanced and partially reliant on imports. Fluctuations in global supply chains, raw material prices and international trade conditions may lead to increased procurement costs or supply disruptions, which could affect our production and margins.

In addition, increasing emphasis on technological self-reliance requires continuous investment in core technologies, including printheads, chips and control software. As a supplier of financial equipment, we are also subject to stringent industry standards, data security requirements and environmental regulations. Compliance with these requirements may result in increased operational and research and development costs.

We have increased our research and development investment in key areas such as printheads, core components and product firmware. These efforts help us reduce our reliance on external supply chains over time, while enhancing our product competitiveness and technological capabilities.

Foreign Exchange Rate Fluctuation

Our overseas sales are generally denominated in foreign currencies, including U.S. dollars, Euros and Hong Kong dollars, while our consolidated financial statements are prepared in Renminbi. Foreign currency transactions and monetary assets and liabilities denominated in foreign currencies are translated into Renminbi in accordance with the applicable accounting policies. Accordingly, fluctuations in exchange rates between Renminbi and foreign currencies may affect our results of operations.

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MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The historical financial information of our Group has been prepared in accordance with accounting policies which conform with HKFRS Accounting Standards. The material accounting policies adopted by our Group are set forth in detail in Note 2.3 to the Accountants’ Report set out in Appendix I to this document.

Some of the accounting policies involve judgments, estimates, and assumptions made by our management. Further information regarding the key judgements made in applying our accounting policies are set forth in Note 3 to the Accountants’ Report set out in Appendix I to this document.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of profit or loss and other comprehensive income during the Track Record Period are summarised below, which have been extracted from the Accountants’ Report set out in Appendix I to this document:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
REVENUE	142,943	131,515
Cost of sales	(95,342)	(85,624)
Gross profit	47,601	45,891
Other income and gain	5,421	2,568
Selling and distribution expenses	(13,132)	(14,238)
Administrative expenses	(15,142)	(18,566)
Research and development expenses	(8,917)	(11,743)
Reversal of impairment/(impairment) of financial assets at amortised cost, net	(993)	276
Finance costs	(313)	(148)
PROFIT BEFORE TAX	14,525	4,040
Income tax	(6,542)	(1,509)
PROFIT FOR THE YEAR	<u>7,983</u>	<u>2,531</u>
OTHER COMPREHENSIVE LOSS/(INCOME)		
<i>Other comprehensive loss/(income) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(1,190)	27
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>6,793</u>	<u>2,558</u>
Profit attributable to:		
Owners of the parent	<u>7,983</u>	<u>2,531</u>
Total comprehensive income attributable to:		
Owners of the parent	<u>6,793</u>	<u>2,558</u>

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Revenue

During the Track Record Period, we generated revenue primarily from (i) mission-critical specialised printers and all-in-one printing & scanning equipment, (ii) smart kiosks and terminals, (iii) consumables, spare parts and other products.

For the years ended December 31, 2024 and 2025, our total revenue amounted to RMB142.9 million and RMB131.5 million, respectively.

Revenue by goods type

The following table sets forth a breakdown of our revenue by goods type both in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Mission-critical specialised printers and all-in-one printing & scanning equipment	120,674	84.4	112,050	85.2
Smart kiosks & terminals	8,105	5.7	5,216	4.0
Consumables, spare parts and other products	14,164	9.9	14,249	10.8
Total	142,943	100.0	131,515	100.0

Revenue from mission-critical specialised printers and all-in-one printing & scanning equipment decreased by RMB8.6 million or 7.1%, from RMB120.7 million in 2024 to RMB112.1 million in 2025. The decrease was primarily due to lower sales volume. In the Asia market, the decrease in sales volume was mainly attributable to changes in local policies and market conditions in certain markets, including India, which affected the sales performance of our products in 2025. The average selling price of our products remained relatively stable, with no material fluctuations recorded during 2024 and 2025.

Revenue from smart kiosks and terminals decreased by RMB2.9 million or 35.6%, from RMB8.1 million in 2024 to RMB5.2 million in 2025. The decrease was primarily attributable to the absence of new purchase orders from Customer B in 2025 following the progressive delivery of orders secured in prior years. Revenue generated from smart kiosks and terminals during the Track Record Period was principally derived from Customer B, accounted for approximately 91.1% and 57.1% of our total revenue of smart kiosks and terminals in 2024 and 2025, respectively. The relevant orders were delivered progressively over the course of 2024 and 2025. In 2025, we secured purchase orders through our distributors in relation to projects from additional customers, including a commercial bank and a property developer headquartered in Asia.

Revenue from consumables, spare parts and other products remained stable at approximately RMB14.2 million in 2024 and 2025, primarily due to normal business fluctuations and continued demand from our installed base of printing and self-service terminal equipment. Our consumables, spare parts and other products are generally supplied in connection with our after-sales maintenance and support services provided to financial institution customers, including banks. Such service arrangements typically involve the periodic supply of original ribbons, spare parts and other consumables for equipment maintenance and replacement purposes. Demand for consumables and spare parts is generally affected by the scale of installed equipment, customer maintenance schedules, replacement cycles and ongoing operational requirements.

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Revenue by sales channel

The following table sets forth a breakdown of our revenue by sales channel both in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Direct sales	13,853	9.7	21,237	16.1
Distribution	129,090	90.3	110,278	83.9
Total revenue	<u>142,943</u>	<u>100.0</u>	<u>131,515</u>	<u>100.0</u>

Revenue from direct sales increased from RMB13.9 million in 2024 to RMB21.2 million in 2025, representing an increase of RMB7.3 million, or 52.5%, while revenue from distribution decreased from RMB129.1 million in 2024 to RMB110.3 million in 2025, representing a decrease of RMB18.8 million, or 14.6%. The increase in direct sales was mainly attributable to the Group’s continued development of its direct sales capabilities and increased direct procurement from direct sales customers during 2025. The Group continued to optimise its sales channel structure during the year, with greater emphasis placed on direct customer coverage and direct business development efforts. As part of such channel optimisation, the total number of distributors decreased by 16 from 2024 to 2025, as 38 distributors ceased cooperation with the Group while 22 new distributors were onboarded during the year. For more details, see “Business – Sale and Marketing – Our Sales Channel” in this document.

Revenue by geographic location

The following table sets forth a breakdown of our revenue by geographic region both in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Chinese Mainland	8,623	6.0	10,874	8.3
Asia (other than Chinese mainland) ¹	94,020	65.8	78,949	60.0
Europe ²	11,657	8.2	30,930	23.5
North America ³	14,947	10.5	5,838	4.4
Others ⁴	13,696	9.5	4,924	3.8
Total revenue	<u>142,943</u>	<u>100.0</u>	<u>131,515</u>	<u>100.0</u>

Note:

1. Asia (other than Chinese Mainland) mainly included India, Turkey, Taiwan, China, Singapore, Pakistan, and UAE.
2. Europe mainly included Italy and Spain.
3. North America mainly included Mexico.
4. Others included countries and regions in Africa, South America, Oceania and elsewhere.

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Revenue from Chinese Mainland increased by RMB2.3 million or 26.1%, from RMB8.6 million in 2024 to RMB10.9 million in 2025, which was mainly attributable to increased purchases by our three major customers in Chinese Mainland during the year, such as PR2 Plus series and MB2 series.

Revenue from Asia (other than Chinese Mainland) decreased by RMB15.1 million, or 16.0%, from RMB94.0 million in 2024 to RMB78.9 million in 2025, mainly attributable to a reduction in revenue generated from customers in India during the year. Even though we experienced a decrease from Asia (other than Chinese Mainland) in 2025, we continued to develop business opportunities in the other Asian markets. In 2025, one of our business partners in Asia, secured a tender for approximately 5,000 units of PR2 Plus from a bank in Asia.

In Europe, revenue increased by RMB19.2 million, or 165.3%, from RMB11.7 million in 2024 to RMB30.9 million in 2025. The increase was primarily attributable to increased sales through our Italian subsidiary during the year, including sales of approximately 4,000 units of MB2 to a postal service provider in Italy.

Revenue from North America decreased by RMB9.1 million, or 60.9%, from RMB14.9 million in 2024 to RMB5.8 million in 2025. The decrease was primarily attributable to lower order volume from existing customers and the absence of significant purchases from certain customers during the year.

Revenue from Others decreased by RMB8.8 million, or 64.0%, from RMB13.7 million in 2024 to RMB4.9 million in 2025, primarily due to reduced procurement activities and lower order volume from existing customers, as well as the absence of significant purchases by certain customers in certain markets in Africa and South America. Such decrease was partially offset by increased revenue from customers in the Republic of Cabo Verde, newly developed customers in Argentina and increased orders from customers in Ecuador.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of raw material, staff costs, depreciation and amortisation, transportation expenses, and others incurred in the manufacturing of printers and related products. For the years ended December 31, 2024 and 2025, our cost of sales amounted to RMB95.3 million and RMB85.6 million, respectively.

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>				
Raw materials	71,778	75.3	64,736	75.6
Staff costs	10,315	10.8	10,645	12.4
Depreciation and amortisation	6,392	6.7	5,527	6.5
Transportation expenses	3,498	3.7	2,046	2.4
Others	3,359	3.5	2,670	3.1
Total	95,342	100.0	85,624	100.0

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The following table sets forth a breakdown of our costs of sales by goods type both in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Mission-critical specialised printers and all-in-one printing & scanning equipment	80,102	84.0	73,428	85.8
Smart kiosks and terminals	6,091	6.4	3,561	4.2
Consumables, spare parts and other products	9,149	9.6	8,635	10.0
Total	95,342	100.0	85,624	100.0

During the Track Record Period, the cost of sales of our mission-critical specialised printers and all-in-one printing & scanning equipment and smart kiosks and terminals decreased in line with the decreases in revenue of such product segments.

In terms of the cost of sales of our consumables, spare parts and other products, it decreased while the revenue generated from this category increased. This was primarily attributable to a shift in sales mix towards proprietary specialised consumables incorporating our chip-managed technology. As a result, revenue from this category increased while the related cost of sales decreased, leading to an increase in the gross profit and gross profit margin of this category during the year, thereby contributing positively to the improvement in our overall gross profit margin.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit and gross profit margin by goods type for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB in thousands, except percentages)</i>			
Mission-critical specialised printers and all-in-one printing & scanning equipment	40,572	33.6%	38,622	34.5%
Smart kiosks and terminals	2,014	24.8%	1,655	31.7%
Consumables, spare parts and other products	5,015	35.4%	5,614	39.4%
Total	47,601	33.3%	45,891	34.9%

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Our gross profit decreased from RMB47.6 million in 2024 to RMB45.9 million in 2025, primarily due to the decreases in gross profit of mission-critical specialised printers and all-in-one printing & scanning equipment and smart kiosks and terminals, partially offset by the increase in gross profit of consumables, spare parts and other products. Our overall gross profit margin increased from 33.3% in 2024 to 34.9% in 2025, primarily due to the increases in the gross profit margins of all product categories.

Mission-critical specialised printers and all-in-one printing & scanning equipment

The gross profit of mission-critical specialised printers and all-in-one printing & scanning equipment decreased from RMB40.6 million in 2024 to RMB38.6 million in 2025, while the gross profit margin of this category increased from 33.6% in 2024 to 34.5% in 2025, respectively. Such increase was primarily attributable to the improvement in the gross profit margins of certain product series within this category, which was mainly driven by changes in product and customer mix, pricing strategies adopted in response to market conditions, and changes in production-related costs and operating efficiency during the year.

Smart kiosks and terminals

The gross profit of our smart kiosks and terminals decreased from RMB2.0 million in 2024 to RMB1.7 million in 2025, primarily due to a decrease in revenue from this segment during the year. As the sales of smart kiosks and terminals were primarily driven by one-off projects during the Track Record Period, revenue and gross profit may vary depending on the scale and timing of project deliveries.

The gross profit margin of this segment improved from 24.8% in 2024 to 31.7% in 2025, primarily due to a favourable change in project mix and improved project profitability during the year. As a result, although fewer projects were delivered in 2025 compared with 2024, the projects delivered generally achieved higher margins, which led to an improvement in the overall gross profit margin of the smart kiosks and terminals segment.

Consumables, spare parts and other products

The gross profit of our consumables, spare parts and other products segment increased by RMB0.6 million, or 11.9%, from RMB5.0 million in 2024 to RMB5.6 million in 2025, while the gross profit margin increased from 35.4% in 2024 to 39.4% in 2025.

The increase was primarily attributable to a favourable change in product mix during the year. In 2025, products with relatively higher margins, including ribbons, spare parts and interactive whiteboard (“IWB”) products, accounted for a larger proportion of revenue from this segment, whereas the proportion of revenue generated from certain lower-margin products, such as thermal printers, decreased. As a result, the overall profitability of this segment improved, leading to increases in both gross profit and gross profit margin in 2025.

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Other Income and Gain

The following table sets forth a breakdown of our other income and gain during the Track Record Period:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
<u>Other income</u>		
Bank interest income	2,805	2,138
Government grants	398	107
Sales of scraps	173	131
Others	13	192
	<u>3,389</u>	<u>2,568</u>
 <u>Gain</u>		
Foreign exchange gains	<u>2,032</u>	<u>–</u>
	<u><u>5,421</u></u>	<u><u>2,568</u></u>

Bank interest income decreased from RMB2.8 million in 2024 to RMB2.1 million in 2025, mainly due to lower average deposit interest rates during the year.

Government grants decreased from RMB0.4 million in 2024 to RMB0.1 million in 2025, mainly because certain subsidies received in 2024 were one-off in nature and did not recur in 2025, partially offset by tax-related incentives received during the year. The government grants mainly represent incentives awarded by the Chinese government to support the Group’s business operation. There are no unfulfilled conditions or contingencies relating to these grants.

Sales of scraps decreased from RMB0.2 million in 2024 to RMB0.1 million in 2025, primarily due to a lower volume of scrap materials generated and sold during the year. Other income increased from RMB13 thousand in 2024 to RMB0.2 million in 2025, mainly due to the recognition of certain miscellaneous income items during the year.

Foreign exchange gains amounted to RMB2.0 million in 2024 and were nil in 2025. The exchange gains recognised in 2024 primarily arose from fluctuations in foreign currency exchange rates affecting the Group’s foreign currency-denominated monetary assets and liabilities.

As a result of the foregoing, our other income and gain decreased from RMB5.4 million in 2024 to RMB2.6 million in 2025.

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Selling and distribution expenses

Our selling and distribution expenses mainly consist of staff costs, commission and service fees, trademark fees, share-based compensation, office expenses, travel and entertainment expenses and others. The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Staff costs	8,542	65.0	8,147	57.2
Commission and service fees	1,252	9.5	947	6.7
Trademark fees	1,180	9.0	1,406	9.9
Share-based payment expense	—	—	1,229	8.6
Office expenses	974	7.4	1,070	7.5
Travel and entertainment expenses	906	6.9	1,085	7.6
Others	278	2.2	354	2.5
Total	13,132	100.0	14,238	100.0

Selling and distribution expenses increased by RMB1.1 million, or 8.4%, from RMB13.1 million in 2024 to RMB14.2 million in 2025, primarily due to (i) the recognition of share-based compensation of RMB1.2 million in 2025 in relation to the amortisation of equity incentive arrangements, whereas no such expense was recognised in 2024; (ii) an increase in trademark fees from RMB1.2 million in 2024 to RMB1.4 million in 2025, attributable to the increase in royalty fees paid to a licensor in Italy for the use of its trademark. Such royalty fees were determined with reference to the number of printers bearing the licensor’s trademark, and the sales volume of such products increased in 2025; and (iii) increases in travel and entertainment expenses, office expenses and other expenses, which reflected our continued sales and marketing activities and business development efforts during the year. Such increase was partially offset by the decreases in staff costs and commission and service fees, which were generally in line with the decrease in our sales revenue in 2025.

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Administrative expenses

During the Track Record Period, our administrative expenses consist of staff costs, depreciation and amortisation expenses, professional fees, rental expenses, bank charges, utilities expenses, office expenses, travel and entertainment expenses, non-operating expenses, foreign exchange losses, and others. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Staff costs	9,324	61.6	9,870	53.2
Depreciation and amortisation expenses	1,546	10.2	1,854	10.0
Professional fees	913	6.0	1,830	9.9
Rental expenses	421	2.8	443	2.4
Bank charges	516	3.4	343	1.8
Utilities expenses	473	3.1	156	0.8
Office expenses	352	2.3	254	1.4
Travel and entertainment expenses	130	0.9	121	0.7
Non-operating expenses	426	2.8	55	0.3
Foreign exchange losses	—	—	2,737	14.7
Others	1,041	6.9	903	4.8
Total	15,142	100.0	18,566	100.0

Administrative expenses increased by approximately 22.6% from RMB15.1 million in 2024 to RMB18.6 million in 2025, primarily due to (i) the foreign exchange losses of RMB2.7 million recorded in 2025, whereas no such losses were recorded in 2024; (ii) an increase in professional fees from RMB0.9 million in 2024 to RMB1.8 million in 2025, mainly attributable to the increase in legal, consulting, audit and other professional service fees incurred in connection with our business operations during the year; and (iii) an increase in depreciation and amortisation expenses from RMB1.5 million in 2024 to RMB1.9 million in 2025. These increases were partially offset by non-operating expenses, bank charges, utilities expenses and other administrative expenses during the year.

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Research and Development expenses

During the Track Record Period, our research and development expenses mainly comprise staff costs, share-based payment expenses, material costs, travelling expenses, outsourced R&D expenses, depreciation and amortisation expenses and others. The following table sets out a breakdown of our research and development expenses and its percentage in terms of our total research and development expenses during the Track Record Period:

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>				
Staff costs	6,654	74.6	6,187	52.7
Share-based payment expenses	–	–	1,229	10.5
Material costs	735	8.2	1,108	9.4
Travelling expenses	541	6.1	603	5.1
Outsourced R&D expenses	225	2.5	1,648	14.0
Depreciation and amortisation expenses	301	3.4	293	2.5
Others	461	5.2	675	5.8
Total	8,917	100.0	11,743	100.0

Our research and development expenses increased by RMB2.8 million, or 31.7%, from RMB8.9 million in 2024 to RMB11.7 million in 2025, primarily due to the increase in share-based payment expenses, material costs and outsourced R&D expenses, partially offset by the decrease in staff costs.

Staff costs decreased by RMB0.5 million, or 7.0%, from RMB6.7 million in 2024 to RMB6.2 million in 2025, primarily due to changes in the allocation of staff costs following adjustments to the responsibilities and project involvement of certain personnel. In particular, certain staff costs were allocated to R&D expenses in 2024 as the relevant personnel participated in specific R&D projects during the year, while such costs were no longer recorded under R&D expenses in 2025 following adjustments to their work arrangements.

Share-based payment expenses increased from nil in 2024 to RMB1.2 million in 2025, primarily due to the grant of partnership interests under our 2025 Employee Incentive Scheme. The remaining reserved portion under such scheme, corresponding to RMB0.3 million partnership interests, was subsequently cancelled. For details, please see “Statutory and General Information – Employee Incentive Scheme” in Appendix V to this Document.

Material costs increased by RMB0.4 million, or 50.7%, from RMB0.7 million in 2024 to RMB1.1 million in 2025, primarily due to the increase in R&D material costs incurred by our Italian subsidiary. Such increase was mainly attributable to the progress made in 2025 in the project with a postal service provider in Italy, for which we obtained a letter of intent for cooperation during the year.

Outsourced R&D expenses increased by RMB1.4 million, or 632.4%, from RMB0.2 million in 2024 to RMB1.6 million in 2025, primarily because we increased our investment in outsourced R&D activities for a postal service provider in Italy and the MB2 passbook module page-turning project.

Travelling expenses remained relatively stable at RMB0.5 million in 2024 and RMB0.6 million in 2025. Depreciation and amortisation expenses also remained relatively stable at RMB0.3 million in both years, while other expenses increased from RMB0.5 million in 2024 to RMB0.7 million in 2025. The slight fluctuations in these expenses were primarily due to normal fluctuations in our R&D activities.

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Reversal of Impairment/(Impairment) of Financial Assets at Amortised Cost, net

Our reversal of impairment/(impairment) of financial assets at amortised cost, net changed from a net impairment loss of RMB1.0 million in 2024 to a net reversal of impairment of RMB0.3 million in 2025, primarily due to the partial recovery from a customer in UAE in 2025. Such receivables had been fully impaired in 2024 as their recoverability was subject to significant uncertainty at the relevant time.

Finance Costs

During the Track Record Period, our finance costs mainly consisted of interest on (i) bank borrowings, and (ii) lease liabilities. The following table sets forth a breakdown of our finance costs for the years/periods indicated.

	Year ended December 31,			
	2024		2025	
	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>				
Interest on bank borrowings	255	81.5	108	73.0
Interest on lease liabilities	58	18.5	40	27.0
Finance costs	<u>313</u>	<u>100.0</u>	<u>148</u>	<u>100.0</u>

Our finance costs decreased from RMB0.3 million in 2024 to RMB0.1 million in 2025, primarily due to the decrease in interest on bank borrowings as our bank borrowings outstanding as of December 31, 2024 were repaid in May 2025, and to a lesser extent, the decrease in interest on lease liabilities as a result of lease payments made during the year.

Income Tax

We recorded income tax expenses of RMB6.5 million and RMB1.5 million in 2024 and 2025, respectively. Our effective tax rate (calculated as income tax expenses divided by profit before tax) was 45.0% in 2024 and 37.4% in 2025, respectively. The decrease in income tax expense in 2025 was primarily attributable to the decrease in our profit before tax from RMB14.5 million in 2024 to RMB4.0 million in 2025. Our effective tax rates during the Track Record Period were higher than the PRC statutory enterprise income tax rate of 25.0%, primarily due to the withholding tax implications arising from certain cross-border transactions within our Group, including income derived by our Hong Kong subsidiary from leasing certain assets to our Chinese Mainland subsidiary in 2024, and dividends received by our Hong Kong subsidiary from our Italian subsidiary in 2025. As of the Latest Practicable Date, we had fulfilled all material tax obligations and were not involved in any material unresolved tax disputes.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are incorporated and operate. In the PRC, pursuant to Corporate Income Tax Law of PRC and the respective regulations, we and our subsidiaries which operated in Chinese Mainland were subject to enterprise income tax at a rate of 25.0% during the Track Record Period. In Hong Kong, our Hong Kong subsidiary was subject to profits tax at a rate of 8.25% on the first HK\$2,000,000 of assessable profits and 16.5% on assessable profits exceeding HK\$2,000,000. Taxes on profits generated in other jurisdictions, including Italy, were calculated in accordance with the applicable tax laws and tax rates prevailing in the relevant jurisdictions.

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PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Revenue decreased by 8.0% from RMB142.9 million in 2024 to RMB131.5 million in 2025. For more details of the reasons of the fluctuation of our revenue during the Track Record Period, see “Description of Major Components of Our Results of Operations – Revenue” in this section.

Cost of sales

Cost of sales decreased from RMB95.3 million in 2024 to RMB85.6 million in 2025, a decrease of 10.2%. For more details of the reasons of the fluctuation of our cost of sales during the Track Record Period, see “Description of Major Components of Our Results of Operations – Cost of Sales” in this section.

Gross profit and Gross profit margin

As a result of the foregoing, gross profit decreased from RMB47.6 million in 2024 to RMB45.9 million in 2025. Gross profit margin improved from 33.3% to 34.9%, an increase of 1.7 percentage points. For more details of the reasons of the fluctuation of our gross profit and gross profit margin during the Track Record Period, see “Description of Major Components of Our Results of Operations – Gross Profit and Gross Profit Margin” in this section.

Other Income and Gain

Other income and gain decreased by 51.9% from RMB5.4 million in 2024 to RMB2.6 million in 2025. For more details of the reasons of the fluctuation of our other income and gain during the Track Record Period, see “Description of Major Components of Our Results of Operations – Other Income and Gain” in this section.

Selling and Distribution Expenses

Selling and distribution expenses increased by 8.4% from RMB13.1 million in 2024 to RMB14.2 million in 2025. For more details of the reasons of the fluctuation of our selling and distribution expenses during the Track Record Period, see “Description of Major Components of Our Results of Operations – Selling and Distribution Expenses” in this section.

Administrative expenses

Administrative expenses increased by 22.6% from RMB15.1 million in 2024 to RMB18.6 million in 2025. For more details of the reasons of the fluctuation of our administrative expenses during the Track Record Period, see “Description of Major Components of Our Results of Operations – Administrative Expenses” in this section.

Research and Development expenses

Research and development expenses increased by 31.5% from RMB8.9 million in 2024 to RMB11.7 million in 2025. For more details of the reasons of the fluctuation of our R&D expenses during the Track Record Period, see “Description of Major Components of Our Results of Operations – Research and Development expenses” in this section.

FINANCIAL INFORMATION

Reversal of Impairment/(Impairment) of Financial Assets, net

Our reversal of impairment/(impairment) of financial assets, net changed from a net impairment loss of RMB1.0 million in 2024 to a net reversal of impairment of RMB0.3 million in 2025. For more details of the reasons of the fluctuation of reversal of impairment/(impairment) of financial assets during the Track Record Period, see “Description of Major Components of Our Results of Operations – Reversal of impairment/(impairment) of financial assets, net” in this section.

Finance Costs

Our finance costs decreased by 66.7% from RMB0.3 million for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025. For more details of the reasons of the fluctuation of our finance costs during the Track Record Period, see “Description of Major Components of Our Results of Operations – Finance Costs, net” in this section.

Income Tax

Our income tax expenses decreased from RMB6.5 million in 2024 to RMB1.5 million in 2025. Our effective tax rate decreased from 45.0% in 2024 to 37.4% in 2025. For more details of the reasons of the fluctuation of our income tax expense and effective tax rate during the Track Record Period, see “Description of Major Components of Our Results of Operations – Income Tax” in this section.

Profit for the Year

For the reasons described above, our profit for the year decreased by 68.8% from RMB8.0 million in 2024 to RMB2.5 million in 2025.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN SELECTED ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated balance sheets as of the dates indicated:

	As of December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS		
Property, plant and equipment	59,901	54,436
Right-of-use assets	1,003	1,059
Intangible assets	2,159	1,080
Equity investment designated at fair value through other comprehensive income	—	—
Prepayments and deposits	275	244
Deferred tax assets	3,030	2,969
Total non-current assets	66,368	59,788
CURRENT ASSETS		
Inventories	31,576	25,415
Trade and bills receivables	23,818	18,068
Prepayments, deposits and other receivables	6,284	6,883
Tax recoverable	116	593
Cash and cash equivalents	72,811	92,668
Total current assets	134,605	143,627
CURRENT LIABILITIES		
Trade payables	8,738	18,330
Other payables and accruals	15,814	18,051
Interest-bearing bank borrowings	8,453	—
Lease liabilities	545	668
Tax payable	1	736
Total current liabilities	33,551	37,785
NET CURRENT ASSETS	101,054	105,842
TOTAL ASSETS LESS CURRENT LIABILITIES	167,422	165,630
NON-CURRENT LIABILITIES		
Deferred tax liabilities	248	—
Lease liabilities	519	444
Provisions	952	1,140
Total non-current liabilities	1,719	1,584
Net assets	165,703	164,046

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	As of December 31,	
	2024	2025
	RMB'000	RMB'000
EQUITY		
Equity attributable to owners of the parent		
Share capital	78,500	78,500
Reserves	87,203	85,546
Total equity	165,703	164,046

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings, (ii) plant and machinery, (iii) furniture, fixtures and equipment, (iv) motor vehicles, and (v) building improvements. The following table sets forth our property, plant and equipment as of the dates indicated.

	As of December 31,			
	2024		2025	
	Amount	%	Amount	%
	<i>(RMB in thousands, except percentages)</i>			
Buildings	47,865	80.0	46,099	84.7
Plant and machinery	8,806	14.7	6,268	11.5
Furniture, fixtures and equipment	197	0.3	204	0.4
Motor vehicles	569	0.9	450	0.8
Building Improvements	2,464	4.1	1,415	2.6
Total	59,901	100.0	54,436	100.0

Our property, plant and equipment decreased from RMB59.9 million as of December 31, 2024 to RMB54.4 million as of December 31, 2025, representing a decrease of approximately 9.1%. The decrease was primarily attributable to depreciation charges on our property, plant and equipment during the year, which exceeded additions to our property, plant and equipment during the same period.

Buildings remained the largest component of our property, plant and equipment, accounting for 80.0% and 84.7% of the total as of December 31, 2024 and 2025, respectively. The carrying amount of buildings decreased from RMB47.9 million as of December 31, 2024 to RMB46.1 million as of December 31, 2025, primarily reflecting depreciation charged in the ordinary course of business.

The carrying amount of plant and machinery decreased from RMB8.8 million as of December 31, 2024 to RMB6.3 million as of December 31, 2025, representing a decrease of approximately 28.8%. Such decrease was primarily attributable to depreciation charges on plant and machinery during the year.

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Right-of-use Assets

Our right-of-use assets consist of lease properties, including offices and warehouses. The following table sets forth our right-of-use assets as of the dates indicated.

	As of December 31,	
	2024	2025
	Amount	Amount
	RMB'000	RMB'000
Properties	1,003	1,059
Total	1,003	1,059

Our right-of-use assets remained relatively stable, increasing slightly from RMB1.0 million as of December 31, 2024 to RMB1.1 million as of December 31, 2025. The slight increase was primarily due to the recognition of right-of-use assets in relation to the renewed lease agreements for our warehouse and office premises in Hong Kong in 2025, partially offset by depreciation charges on our leased properties, including our office premises in the PRC and Italy, and the expiry of certain previous leases in Hong Kong during the year.

Intangible Assets

Our intangible assets primarily consisted of trademarks, patents and licences and computer software, primarily used in connection with our proprietary technologies and product solutions. The following table sets forth the breakdown of our intangible assets as of the dates indicated.

	As of December 31,			
	2024		2025	
	Amount	%	Amount	%
	(RMB in thousands, except percentages)			
Trademarks, patents and licences	1,101	51.0	226	20.9
Computer software	1,058	49.0	854	79.1
Total	2,159	100.0	1,080	100.0

Our intangible assets decreased from RMB2.2 million as of December 31, 2024 to RMB1.1 million as of December 31, 2025, primarily due to the amortisation of trademarks, patents and licences and computer software during the year.

Trademarks, patents and licences decreased from RMB1.1 million as of December 31, 2024 to RMB0.2 million as of December 31, 2025, primarily due to amortisation during the year, as there were no additions or disposals of trademarks, patents and licences in 2025.

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Computer software decreased from RMB1.1 million as of December 31, 2024 to RMB0.9 million as of December 31, 2025. This was mainly due to amortisation of approximately RMB0.3 million during the year and the derecognition of certain software packages, including PTC Creo and T3 software packages, with a carrying amount of approximately RMB54,000. Such decrease was partially offset by additions of approximately RMB0.1 million in relation to the purchase of ZWCAD Mechanical and other software for business development needs in 2025.

Prepayments, deposits and other receivables

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Prepayments	2,746	1,752
Deposits and other receivables	3,837	5,431
Impairment	(24)	(56)
Total	6,559	7,127

Our prepayments, deposits and other receivables increased by RMB0.6 million, or 8.7%, from RMB6.6 million as of December 31, 2024 to RMB7.1 million as of December 31, 2025.

Our prepayments decreased by RMB1.0 million, or 36.2%, from RMB2.7 million as of December 31, 2024 to RMB1.8 million as of December 31, 2025, primarily due to the utilisation or settlement of certain prepaid amounts during the year. Our deposits and other receivables increased by RMB1.6 million, or 41.5%, from RMB3.8 million as of December 31, 2024 to RMB5.4 million as of December 31, 2025, primarily due to the increase in tax-related receivables in connection with our ordinary business operations. Impairment increased from RMB24 thousand as of December 31, 2024 to RMB56 thousand as of December 31, 2025, generally in line with the increase in deposits and other receivables.

As of April 30, 2026, RMB0.8 million, representing 11.8% of our prepayments, deposits and other receivables as of December 31, 2025, had been utilised settled.

Cash and Cash Equivalents

Our cash and cash equivalents, which were denominated in RMB, represented cash and bank balances. Our cash and cash equivalents increased from RMB72.8 million as of December 31, 2024 to RMB92.7 million as of December 31, 2025, primarily due to net cash generated from operating activities, partially offset by net cash used in financing activities, mainly including repayment of bank borrowings and payment of dividends, and net cash used in investing activities during the year.

Trade Payables

Our trade payables represented primarily consisted of payables to our suppliers for raw materials and finished goods.

Our trade payables increased by 109.8% from RMB8.7 million as of December 31, 2024 to RMB18.3 million as of December 31, 2025 which was mainly due to the longer settlement period for certain payments to our suppliers towards the end of 2025.

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The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	8,109	17,758
1 to 2 years	64	11
2 to 3 years	484	—
Over 3 years	81	561
Total	8,738	18,330

The following table sets forth our trade payables turnover days during the periods indicated.

	As of December 31,	
	2024	2025
Trade payables turnover days (<i>note 1</i>)	52.7	57.7

Note:

1. Trade payables turnover days were calculated based on the average of opening and closing balance of trade payables divided by cost of sales for the relevant period, and multiplied by the number of days in the relevant period, being 365 days for the years ended December 31, 2024 and 2025.

Our trade payables turnover days remained relatively stable at 52.7 days in 2024 and 55.7 days in 2025, and were generally in line with our normal settlement cycle. The slight increase was primarily attributable to a higher average trade payables balance in 2025, mainly due to the timing of settlements with suppliers towards the end of the year.

As of April 30, 2026, RMB16.9 million, or 92.4% of our trade payables had been subsequently settled.

Other payables and accruals

Our other payables and accruals consisted of (i) contract liabilities, (ii) other payables and accruals, (iii) other taxes payables and (iv) payroll payable.

The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Contract liabilities	1,230	3,201
Other payables and accruals	7,360	5,860
Other taxes payables	947	1,909
Payroll payable	6,277	7,081
Total	15,814	18,051

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Our other payables and accruals increased by 14.1% from RMB15.8 million as of December 31, 2024 to RMB18.1 million as of December 31, 2025, primarily driven by the increase in contract liabilities, and to a lesser extent, the increases in other tax payables and payroll payable, partially offset by the decrease in other payables and accruals.

Contract liabilities increased by 160.2% from RMB1.2 million as of December 31, 2024 to RMB3.2 million as of December 31, 2025, primarily due to the increase in short-term advances received during the year from two customers of our Hong Kong subsidiary for their purchases of printers. Such advances were received before the relevant printers were delivered to the customers. Other tax payables increased from RMB0.9 million as of December 31, 2024 to RMB1.9 million as of December 31, 2025, primarily due to the increase in tax-related payables arising from our overseas business operations. Payroll payable increased from RMB6.3 million as of December 31, 2024 to RMB7.1 million as of December 31, 2025, primarily due to the increase in unpaid employee bonuses of our Italian subsidiary.

As of April 30, 2026, RMB8.1 million, or 44.9% of our other payables and accruals had been subsequently settled.

Inventories

Our inventories primarily consist of (i) raw materials and (ii) finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Raw materials	23,160	14,878
Finished goods	8,416	10,537
	<u>31,576</u>	<u>25,415</u>

Our inventories decreased from RMB31.6 million as of December 31, 2024 to RMB25.4 million as of December 31, 2025. Management continuously monitors inventory levels to minimise the risk of obsolescence. See “Business – Inventory” in this document for more details. The following table sets forth an aging analysis of our inventories:

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	20,372	19,593
Between 1 year and 2 years	8,284	2,993
Over 2 years	2,920	2,829
Total	<u>31,576</u>	<u>25,415</u>

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The following table sets forth the number of our inventory turnover days for the periods indicated:

	Year ended December 31,	
	2024	2025
Inventory turnover days (<i>note 1</i>)	160.4	152.3

Note:

1. Inventories turnover days for a period equals the average of the opening and closing balance of inventories divided by cost of sales for the same period and multiplied by 365 days for a full-year period or 180 days for a six-months period.

Our inventory turnover days decreased from 160.4 days in 2024 to 152.3 days in 2025, primarily due to our enhanced inventory management. In particular, we improved the coordination between procurement planning and production scheduling and better controlled the level of raw material inventories. In addition, we increased the utilisation of long-aged inventories during the year, which contributed to the decrease in our inventory turnover days.

As of April 30, 2026, RMB20.6 million, or 81.0% of our inventories as of December 31, 2025, had been used, consumed or sold.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Bills receivables	657	3,833
Trade receivables	24,757	14,521
Impairment	(1,596)	(286)
	<u>23,818</u>	<u>18,068</u>

Our trade and bills receivables decreased from RMB23.8 million as of December 31, 2024 to RMB18.1 million as of December 31, 2025, primarily due to the decrease in gross trade receivables, partially offset by the increase in bills receivables and the decrease in loss allowance. The decrease in gross trade receivables was mainly attributable to the decrease in receivables from sales of printers and related hardware by our Shenzhen headquarters and Hong Kong subsidiary, which was generally in line with the decrease in revenue generated by these entities during the year. Such decrease was partially offset by the increase in trade receivables of our Italian subsidiary, which was generally in line with the growth in its revenue.

Our Group’s trading terms with its customers are mainly on credit. The credit period is generally one to three months. Our 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 senior management. In view of the aforementioned and the fact that the Group’s trade and bills receivables relate to a large number of customers, there is no significant concentration of credit risk. Our Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

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An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As of December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	23,431	17,983
1 to 2 years	387	67
2 to 3 years	—	18
Total	23,818	18,068

The following table sets forth our trade and bills receivables turnover days during the periods indicated.

	Year ended December 31,	
	2024	2025
Trade and bills receivables turnover days (<i>note 1</i>)	56.0	60.7

Note:

1. Trade and bills receivables turnover days were calculated based on the average of opening and closing balance of trade and bills receivables for the relevant year, divided by the revenue for the same year and multiplied by 365 days for 2024 and 2025.

Our trade and bills receivables turnover days increased from 56.0 days in 2024 to 60.7 days in 2025, primarily because our revenue decreased slightly during the year while the average balance of trade receivables remained relatively stable.

Our Group's bills receivables of RMB657,000 and RMB3,833,000 at December 31, 2024 and 2025, respectively, are due within 180 days from the date of billing. There was no recent history of default from bills receivable and the Group estimated that the expected loss rate for bills receivables is minimal.

As of April 30, 2026, RMB11.8 million, or approximately 65.6% of our trade and bills receivables had been subsequently settled. Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our working capital, capital expenditures, and research and development activities. We recorded net cash flows from operating activities of RMB14.7 million and RMB39.1 million in 2024 and 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, we financed our operations primarily through cash generated from our operating activities, bank borrowings and cash and cash equivalents on hand. We had cash and cash equivalents of RMB72.8 million and RMB92.7 million as of December 31, 2024 and 2025, respectively. As of April 30, 2026, being the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB67.3 million.

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of April 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)
CURRENT ASSETS			
Inventories	31,576	25,415	33,356
Trade and bills receivables	23,818	18,068	19,236
Prepayments, deposits and other receivables	6,284	6,883	7,651
Tax recoverable	116	593	–
Cash and cash equivalents	72,811	92,668	67,334
Total current assets	134,605	143,627	127,577
CURRENT LIABILITIES			
Trade payables	8,738	18,330	16,103
Other payables and accruals	15,814	18,051	10,778
Interest-bearing bank borrowings	8,453	–	–
Lease liabilities	545	668	557
Tax payable	1	736	–
Total current liabilities	33,551	37,785	27,438
NET CURRENT ASSETS	101,054	105,842	100,139

As of April 30, 2026, we recorded net current assets of RMB100.1 million, compared to net current assets of RMB105.8 million as of December 31, 2025, primarily due to the decrease in cash and cash equivalents from RMB92.7 million as of December 31, 2025 to RMB67.3 million as of April 30, 2026, partially offset by the increases in inventories, trade and bills receivables, and the decrease in current liabilities during the same period.

We recorded net current assets of RMB101.1 million and RMB105.8 million as of December 31, 2024 and 2025, respectively. The increase was primarily attributable to the increase in current assets from RMB134.6 million to RMB143.6 million, mainly due to the increase in cash and cash equivalents, partially offset by the decreases in inventories and trade and bills receivables. The increase was partially offset by the increase in current liabilities from RMB33.6 million to RMB37.8 million, primarily due to the increases in trade payables and other payables and accruals, partially offset by the full repayment of interest-bearing bank borrowings in 2025.

FINANCIAL INFORMATION

Cash Flows

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

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,525	4,040
Adjustments for:		
Finance costs	313	148
Interest income	(2,805)	(2,138)
Depreciation of property, plant and equipment	6,433	5,848
Depreciation of right-of-use assets	651	657
Amortisation of intangible assets	1,155	1,169
Loss on disposal/write-off of items of property, plant and equipment	80	26
Write-off of intangible assets	–	54
Write-down of inventories to net realisable value	2,073	4,167
Impairment/(reversal of impairment) of trade receivables, net	984	(308)
Impairment of other receivables, net	9	32
Equity-settled share-based payment expense	–	2,457
	23,418	16,152
Decrease in inventories	7,466	2,406
(Increase)/decrease in trade and bills receivables	(6,989)	6,798
Decrease/(increase) in prepayments, deposits and other receivables	441	(488)
(Decrease)/increase in trade payables	(10,004)	9,396
(Decrease)/increase in other payables and accruals	(1,618)	3,946
(Decrease)/increase in provisions	(221)	106
Cash generated from operations	12,493	38,316
Tax paid	(910)	(1,306)
Tax refunded	276	–
Interest received	2,805	2,138
Net cash flows from operating activities	14,664	39,148
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(1,950)	(1,053)
Additions to intangible assets	(73)	(142)
Proceeds from disposals of items of property, plant and equipment	1,090	268
Net cash flows used in investing activities	(933)	(927)

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	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(255)	(108)
Dividends paid	(6,044)	(6,672)
New bank borrowings	9,920	–
Repayment of bank borrowings	(9,667)	(8,453)
Repurchases of shares	(4,250)	(4,250)
Proceeds from grant of share awards	–	2,000
Principal portion of lease payments	(642)	(668)
Interest portion of lease payments	(58)	(40)
Net cash flows used in financing activities	(10,996)	(18,191)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,735	20,030
Cash and cash equivalents at beginning of year	71,523	72,811
Effect of foreign exchange rate changes, net	(1,447)	(173)
CASH AND CASH EQUIVALENTS AT END OF YEAR	72,811	92,668

Net Cash Used In/Generated from Operating Activities

Net cash flows from operating activities were RMB39.1 million in 2025. This was primarily driven by our profit before tax of RMB4.0 million, adjusted for non-cash items, including depreciation of property, plant and equipment of RMB5.8 million, depreciation of right-of-use assets of RMB0.7 million, amortisation of intangible assets of RMB1.2 million and equity-settled share-based payment expenses of RMB2.5 million. The significant increase in cash inflows relative to profit before tax was mainly attributable to the release of working capital, primarily including an increase in trade payables of RMB9.4 million, a decrease in trade and bills receivables of RMB6.8 million, a decrease in inventories of RMB2.4 million and favourable movements in other payables and accruals of RMB3.9 million, partially offset by changes in prepayments, deposits and other receivables of RMB0.5 million. The excess of operating cash flow over profit before tax in 2025 reflected improved collection efficiency, enhanced inventory management and the timing of supplier settlements. Our Directors believe that such working capital movements were generally in line with our business expansion and operational needs and contributed positively to our liquidity position during the Track Record Period.

Net cash flows from operating activities were RMB14.7 million in 2024, primarily reflecting our profit before tax of RMB14.5 million, adjusted for non-cash items, including depreciation of property, plant and equipment of RMB6.4 million, depreciation of right-of-use assets of RMB0.7 million and amortisation of intangible assets of RMB1.2 million. Cash generation was supported by favourable working capital movements, including a decrease in inventories of RMB7.5 million and a decrease in trade payables of RMB10.0 million, partially offset by increases in trade and bills receivables of RMB7.0 million, prepayments, deposits and other receivables of RMB0.4 million and unfavourable movements in other payables and accruals of RMB1.6 million.

Net Cash Used In/Generated from Investing Activities

Net cash flows used in investing activities were RMB0.9 million in 2025, primarily reflecting capital expenditures incurred for the acquisition of property, plant and equipment and intangible assets of RMB1.1 million in aggregate, partially offset by proceeds of RMB0.3 million from disposals of property, plant and equipment.

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Net cash flows used in investing activities were RMB0.9 million in 2024, primarily reflecting capital expenditures incurred for the acquisition of property, plant and equipment and intangible assets of RMB2.0 million in aggregate, partially offset by proceeds of RMB1.1 million from disposals of property, plant and equipment.

Net Cash Used In Financing Activities

Net cash flows used in financing activities were RMB18.2 million in 2025, primarily reflecting dividends paid of RMB6.7 million, shares repurchased under the restricted share award scheme of RMB4.3 million, repayment of bank borrowings of RMB8.5 million and principal portion of lease payments of RMB0.7 million, partially offset by proceeds from grant of share awards of RMB2.0 million. Interest paid amounted to RMB0.1 million.

Net cash flows used in financing activities were RMB11.0 million in 2024, primarily reflecting dividends paid of RMB6.0 million, shares repurchased under the restricted share award scheme of RMB4.3 million, repayment of bank borrowings of RMB9.7 million and principal portion of lease payments of RMB0.6 million, partially offset by new bank borrowings of RMB9.9 million. Interest paid amounted to RMB0.3 million.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net [REDACTED] from the [REDACTED] and other financial resources available to us, including cash and cash equivalents, cash flows from operating and investing activities, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of bank borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of
	2024	2025	April 30,
	RMB'000	RMB'000	2026
			RMB'000
			(Unaudited)
Current			
Interest-bearing bank borrowings	8,453	—	—
Lease liabilities	545	668	557
Subtotal	8,998	668	557
Non-current			
Lease liabilities	519	444	273
Subtotal	519	444	273
Total	9,517	1,112	830

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Bank Borrowings

Our bank borrowings during the Track Record Period were denominated in RMB and were used to finance our capital expenditure and working capital requirements. The bank borrowings bear interest at floating interest rates. Depending on the term of the bank loans in 2024, the effective interest rates of our bank loans at 1.5% per annum below 1-year Loan Prime Rate. The followings table sets forth our bank borrowings as of the dates indicated.

	As of December 31,		As of April 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)
Current			
Interest-bearing bank borrowings	8,453	—	—
Total	<u>8,453</u>	<u>—</u>	<u>—</u>

The following table sets forth the maturity profile of our bank borrowings as of the dates indicated:

	As of December 31,		As of April 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)
Within one year	8,453	—	—
Total	<u>8,453</u>	<u>—</u>	<u>—</u>

As of December 31, 2025 and April 30, 2026, we did not have any outstanding bank borrowings. As of April 30, 2026, we had no unutilised banking facilities. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favourable terms or at all.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to our lease of office premises and warehouses. The following table sets forth the details of our lease liabilities as of the dates indicated.

	As of ended December 31,		As of April 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)
Current	545	668	557
Non-current	519	444	273
Total	<u>1,064</u>	<u>1,112</u>	<u>830</u>

FINANCIAL INFORMATION

Our lease liabilities primarily represented lease liabilities in relation to the leases of our offices in Shenzhen, Hong Kong and Italy and our warehouse in Chai Wan, Hong Kong. Our lease liabilities remained relatively stable at RMB1.1 million as of December 31, 2024 and RMB1.1 million as of December 31, 2025. As of April 30, 2026, our lease liabilities decreased to RMB0.8 million, primarily due to normal lease interest accretion and lease payments made during the period.

Save as discussed above, as of April 30, 2026, the most recent practicable date for determining our indebtedness, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which were either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. Our Directors also confirm that there had not been any material change in our indebtedness since April 30, 2026 and up to the date of this document.

During the Track Record Period and up to the Latest Practicable Date, there were no material covenants on any of our outstanding debts which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenants. Our Directors further confirm that we did not experience difficulty in obtaining borrowings, default in repayment of bank borrowings or lessors during the Track Record Period and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025, we did not have any material contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities since December 31, 2025 to the date of this document.

CAPITAL COMMITMENTS

As of December 31, 2024 and 2025, we did not have any capital commitments.

CAPITAL EXPENDITURE

During the Track Record Period, our capital expenditure primarily consisted of purchase of property, plant and equipment and purchase of intangible assets. The table below sets forth our capital expenditure for the periods indicated:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Property, plant and equipment	1,950	1,053
Intangible assets	73	142
Total	2,023	1,195

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities, equity and debt financing. We expect to incur capital expenditure in the near future, primarily to support the growth of our business. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and [REDACTED] from the [REDACTED]. See “Future Plans and Use of [REDACTED] – Use of [REDACTED]” in this document for more details about our planned capital expenditure. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of/For the year ended December 31,	
	2024	2025
Current ratio ⁽¹⁾	401.2%	380.1%
Quick ratio ⁽²⁾	307.1%	312.9%
Gross profit margin ⁽³⁾	33.3%	34.9%
Gearing ratio ⁽⁴⁾	21.3%	24.0%

Note:

- (1) Current ratio is calculated based on current assets as of the end of the year divided by current liabilities as of the end of the same year and multiplied by 100%.
- (2) Quick ratio is calculated based on current assets as of the end of the year less inventories as of the end of the same year divided by current liabilities as of the end of the same year and multiplied by 100%.
- (3) Gross profit margin is calculated based on gross profit for the year divided by revenue for the same year and multiplied by 100%.
- (4) Gearing ratio is calculated based on total liability divided by total equity and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our Shares and classified as shareholder’s equity, or that are not reflected in our consolidated statements of financial position. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments include interest-bearing bank borrowings, lease liabilities and cash and cash equivalents. The primary purpose of these financial instruments is to raise financing for our operations. We also have various other financial assets and liabilities, such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals, which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, credit risk and liquidity risk. Our management reviews and agrees policies for managing each of these risks, which are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations. We seek to limit our exposure to foreign currency risk by minimising its net foreign currency position.

FINANCIAL INFORMATION

The following table demonstrates the sensitivity at the end of the Relevant Periods to a reasonably possible change in the United States dollar and European dollar exchange rates, with all other variables held constant, of our Group’s profit before tax (due to changes in the fair value of monetary assets and liabilities).

As of December 31, 2024		
	Change in foreign currency rate	Increase/ (decrease) in profit before tax
	%	RMB’000
If RMB weakens against US\$	1	829
If RMB strengthens against US\$	(1)	(829)
If RMB weakens against EUR	1	14
If RMB strengthens against EUR	(1)	(14)

As of December 31, 2025		
	Change in foreign currency rate	Increase/ (decrease) in profit before tax
	%	RMB’000
If RMB weakens against US\$	1	861
If RMB strengthens against US\$	(1)	(861)
If RMB weakens against EUR	1	70
If RMB strengthens against EUR	(1)	(70)

Interest rate risk

Our Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s interest-bearing bank borrowings with floating interest rates as at December 31, 2024. We mitigate the risk by monitoring closely the movements in interest rate regularly. The amount of risk exposure corresponding to interest rate risk is not significant.

Credit risk

Our Group mainly transacts on credit with recognised/creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Liquidity risk

Our Group regularly monitors its risk to a shortage of funds and considers the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Our Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

FINANCIAL INFORMATION

FINANCIAL RISK AND CAPITAL MANAGEMENT

Our Group is exposed to foreign currency risk, interest rate risk, credit risk and liquidity risk in the normal course of business. For further details of our financial risk management, please refer to Note 35 to the Accountants’ Report set out in Appendix I to this document.

We manage our capital to ensure that entities in our Group will be able to continue as a going concern while maintaining healthy capital ratios in order to maximise the return to shareholders. Our Group’s overall strategy remains unchanged during the Track Record Period.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details of our unaudited [REDACTED] adjusted consolidated net tangible assets, please refer to the section headed “Unaudited [REDACTED] Financial Information” in Appendix II to this document.

PROPERTIES AND VALUATION

Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, has valued our selected property interest as of May 31, 2026 and is of the opinion that the market value of our property interests as of such date was RMB45,752,000. The full text of its letter, valuation report and certificates in connection with such property interests are set out in “Appendix III – Property Valuation Report” to this document.

A reconciliation of the net book value of our property interests, comprising buildings, as of December 31, 2025 to their market value as of May 31, 2026 as stated in the property valuation report in Appendix III is set out below:

	<i>RMB’000</i>
Net book value of the Property Interests as of December 31, 2025	46,099
Addition	–
Depreciation	(736)
Net book value of the Property Interests as of May 31, 2026	45,363
Fair value gain	389
Market value of the Property Interests as of May 31, 2026 as set out in the property valuation report in Appendix III to this document	45,752

[REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of HK\$[REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED] range), we expect to incur approximately HK\$[REDACTED] of [REDACTED] (including the aggregate [REDACTED] commissions and fees, the Stock Exchange [REDACTED], the [REDACTED] and the Stock Exchange [REDACTED], legal and other professional fees and printing and all other expenses relating to the [REDACTED]), including (i) [REDACTED] expenses (including [REDACTED] and other expenses of approximately HK\$[REDACTED]) and (ii) non [REDACTED] expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of legal advisers and accountants of approximately HK\$[REDACTED] and (b) other fees and expenses of approximately HK\$[REDACTED], accounting for approximately [REDACTED] of the [REDACTED] from the [REDACTED]. Approximately HK\$[REDACTED] of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately HK\$[REDACTED] is expected to be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FINANCIAL INFORMATION

DIVIDEND POLICY

During the Track Record Period, we paid dividends of RMB6.0 million and RMB6.7 million to our shareholders in 2024 and 2025, respectively. Such dividends represented the profit distributions for the years ended December 31, 2023 and 2024, respectively, which were approved by our Shareholders at the annual general meetings held on June 27, 2024 and June 30, 2025, respectively. On June 25, 2026, our Shareholders resolved not to declare any dividend in respect of the year ended December 31, 2025.

We currently expect to retain all future earnings for use in operation and expansion of our business, and do not pay any dividends in the foreseeable future. We do not have any fixed dividend policy nor pre-determined dividend payout ratio. The declaration and payment of any dividends in the future will be subject to the approval of our Shareholders in a shareholder’s meeting, our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the commercialisation of our products and solutions as well as our earnings, capital requirements, overall financial condition and contractual restrictions.

As confirmed by our PRC Legal Adviser, we are required to allocate 10% of our profit after tax to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Accordingly, any future declaration and payment of dividends will also be subject to our allocation of sufficient profit to the statutory common reserve fund in accordance with the PRC laws. However, there can be no assurance that dividends will be declared or paid in the foreseeable future.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Group had distributable reserves of RMB6.4 million.

TRANSFER PRICING ARRANGEMENTS

During the Track Record Period, our Company and our subsidiaries in Hong Kong and Italy have engaged in the following intercompany transactions (collectively, the “**Covered Transactions**”):

Product Buy-Sell Transactions

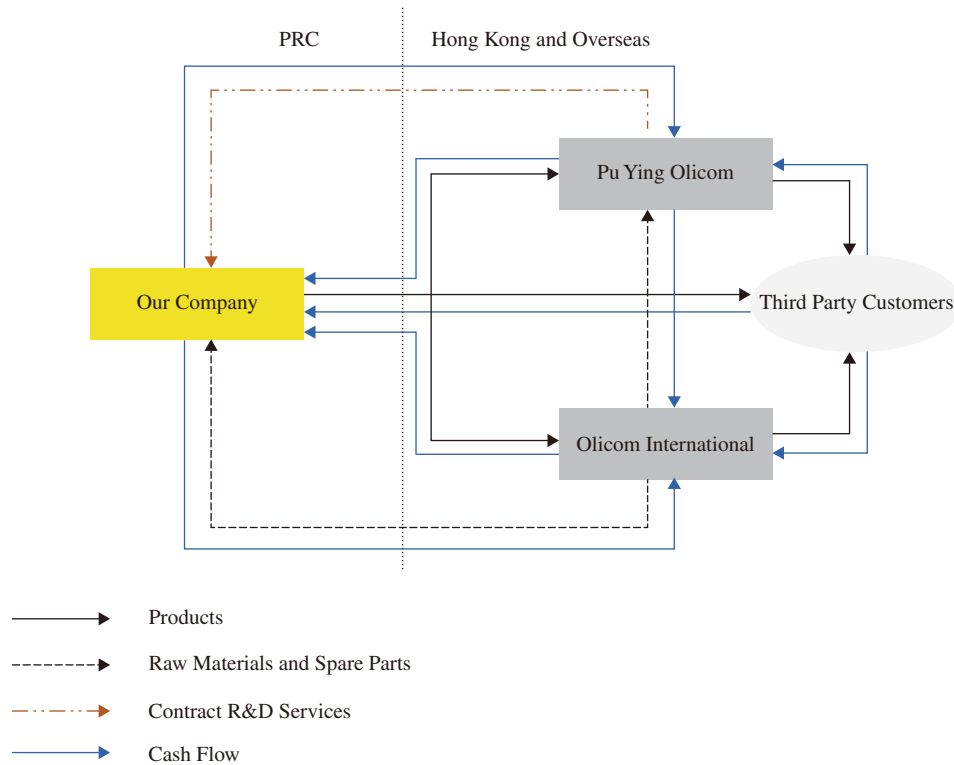
1. Our Company sold products to our Hong Kong subsidiary, Pu Ying Olicom, and our Italian subsidiary, Olicom International for further overseas sales.
2. Our Company and Pu Ying Olicom procured spare parts and raw materials from Olicom International.

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Service Transaction

1. Pu Ying Olicom provided contract R&D services to our Company.

The transaction and fund flows of the Covered Transactions during the Track Record Period are set forth below:



The OECD promulgated the OECD Transfer Pricing Guidelines, which are generally followed by the relevant tax jurisdictions involved in the intra-Group transactions including the PRC, Hong Kong, and Italy. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be arm’s length.

The Group reviews its transfer pricing arrangements on a regular basis and seeks to ensure compliance with applicable tax laws and regulations in the relevant jurisdictions. During the Track Record Period, such arrangements formed part of the Group’s ordinary course of business.

We have engaged Ernst & Young (China) Advisory Limited (the “**Transfer Pricing Adviser**”), an international accounting firm in the PRC, to conduct transfer pricing review and benchmarking studies on the Covered Transactions during the Track Record Period to assess the Group’s compliance with the applicable transfer pricing regulations.

From a transfer pricing perspective, the arm’s length principle requires that pricing arrangements between related parties should be consistent with those that would have been agreed between independent parties under comparable circumstances. In assessing whether the Covered Transactions were conducted on an arm’s length basis, reference was made to the functions performed, assets used and risks assumed by the relevant parties.

FINANCIAL INFORMATION

The transactional net margin method (“TNMM”) was selected as the appropriate transfer pricing method for the analysis, as it evaluates the net profit level achieved by the tested party with reference to comparable independent companies and is generally less affected by differences in individual transactions. Based on the transfer pricing analysis conducted by the Transfer Pricing Adviser, Pu Ying Olicom is characterised as a limited-risk distributor and a limited-risk service provider respectively under the Product Buy-Sell Transactions and Service Transaction and should therefore maintain a reasonable level of profit. Accordingly, the Transfer Pricing Adviser calculated the arm’s length profit that Pu Ying Olicom should have earned annually based on the benchmarking analysis result and the Transfer Pricing Adviser’s experience. Based on the calculation, the transfer pricing exposure for Pu Ying Olicom for the Track Record Period is estimated to be approximately RMB75 thousand.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our transfer pricing arrangements had not been subject to any challenge or investigation by any relevant tax authorities. Having considered the above, including the provision made for the potential transfer pricing risk exposure, our Directors are of the view that the relevant measures are adequate and effective, and that the transfer pricing risks relating to the Covered Transactions are manageable and would not have a material adverse impact on our financial condition or results of operations. For details of the risks relating to our transfer pricing arrangements, please refer to “Risk Factors – The amount of enterprise income tax payable by us may be adjusted by the PRC tax authorities due to our intra-group transactions, which may materially and adversely affect our profitability and financial condition” in this document.

Internal Control Measures

We have implemented internal control measures to ensure ongoing compliance with applicable transfer pricing rules and regulations. In particular, we have established and implemented a global transfer pricing policies for related party transactions, which covers the pricing methodology, profit allocation and documentation requirements for transactions with our related parties, including the sale and purchase of products and components and the provision of contract R&D services.

We have also established standardised procedures for related party transactions, under which such transactions are subject to prior review and subsequent monitoring. Our finance department is responsible for conducting comparability analysis and profit level testing, maintaining transaction contracts, pricing analysis and supporting documents, and assessing whether contemporaneous transfer pricing documentation or other filings are required under applicable tax laws and regulations. Our legal department is responsible for reviewing and updating our transfer pricing policy to reflect the latest regulatory requirements in the relevant jurisdictions and reporting any updates to the responsible personnel and our Directors.

We will continue to engage external tax advisors to conduct regular reviews of our transfer pricing arrangements and advise on remedial measures for any deficiencies identified, with reference to applicable transfer pricing rules and relevant benchmarking studies, to ensure that our related party transactions are conducted in accordance with the arm’s length principle. We also provide continuous training to our finance and business personnel to enhance their awareness of transfer pricing compliance and enable them to identify and report potential risks in daily operations.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to any disclosure requirements under Rules 17.15 to 17.21 of the GEM Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since December 31, 2025, being the date of the latest reporting period of our consolidated audited financial statements as set out in the Accountants’ Report set out in Appendix I to this document.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For further details of our future plans, please see the section headed “Business – Our Strategies” in this document.

[REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] after deducting the [REDACTED] payable by us in the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] in this document. If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED], being the high end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at HK\$[REDACTED] per [REDACTED], being the low end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED].

We intend to use the [REDACTED] we will receive from this [REDACTED] for the following purposes:

I. Further Development and Commercialisation of our MB2 Inkjet Printers

- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the further development and commercialisation of our MB2 Inkjet Printers, which is designed to support the transition of the product from the prototype stage to commercial production and market deployment (“[REDACTED] for MB2 Inkjet Printers”). The [REDACTED] will be applied to establishing production capability, completing product testing and certification, securing key production materials and supporting the mass production in the future. We expect to utilise such [REDACTED] within approximately 24 months following the [REDACTED].
 - (i) approximately [REDACTED]% of the [REDACTED] for MB2 Inkjet Printers, or HK\$[REDACTED], will be used for manufacturing system establishment and pilot production preparation, which is expected to be utilised within the first 6 months following the [REDACTED]. Having completed the prototype development stage, we plan to allocate these funds towards establishing the production infrastructure required for commercial manufacturing of the MB2 Inkjet printer. In particular:
 - approximately HK\$[REDACTED] will be used for the development, procurement and modification of injection moulds, metal stamping moulds and other tooling required for the production of newly designed structural components;
 - approximately HK\$[REDACTED] will be used for pilot production activities, including procurement of raw materials and components, outsourced processing services, assembly testing and production verification for an initial production batch; and
 - approximately HK\$[REDACTED] will be used for the acquisition and installation of dedicated production fixtures, testing equipment and production-line adaptation facilities required for inkjet printing technology, which are separate from and not compatible with our existing dot-matrix printer manufacturing lines.

FUTURE PLANS AND [REDACTED]

- (ii) approximately [REDACTED]% of the [REDACTED] for MB2 Inkjet Printers, or HK\$[REDACTED], will be used for product testing, certification and intellectual property protection, which is expected to be utilised within the first 6 months following the [REDACTED]. The [REDACTED] will be primarily allocated to complete the final stage of product commercialisation and regulatory compliance, including: (1) engaging independent third-party laboratories to conduct reliability, durability and environmental testing, including high-temperature, low-temperature, humidity, vibration and long-duration operational testing; (2) obtaining product certifications and regulatory approvals required for commercial sales in our target markets, including CE, RoHS and other applicable safety and environmental certifications; (3) conducting software compatibility testing and optimisation of printer drivers and application software; and (4) filing patents and implementing intellectual property protection measures relating to the MB2 Inkjet project.
- (iii) approximately [REDACTED]% of the [REDACTED] for MB2 Inkjet Printers, or HK\$[REDACTED], will be used to establish and support our engineering and technical personnel team, which is expected to be utilised within 18 months following the [REDACTED]. The [REDACTED] will primarily be used to cover staff costs for recruiting and retaining engineering and technical personnel, including project management, mechanical engineering, electrical engineering, software engineering, testing and on-site technical support functions. Through strengthening our technical workforce, we aim to enhance our product development capabilities, improve project execution efficiency and support the implementation of our business development strategies.
- (iv) approximately [REDACTED]% of the [REDACTED] for MB2 Inkjet Printers, or HK\$[REDACTED], will be used for the implementation and delivery support of our MB2 Inject printer products, which is expected to be utilised between 6 and 24 months following the [REDACTED]. The [REDACTED] will primarily be applied towards supporting the deployment of the MB2 Inkjet project for our future customers, including: (1) on-site installation, commissioning and technical support services provided by our engineering personnel; (2) localisation, translation and preparation of technical documentation, operation manuals and training materials; and (3) procurement of spare parts, consumables and support materials required during the initial deployment.

A summary of the above-mentioned implementation plan is as follows:

Period	Manufacturing system establishment and pilot production preparation	Product testing, certification and intellectual property protection	Establishment of our engineering and technical personnel team	The implementation and delivery support of our MB2 Inject printer products

[REDACTED]

FUTURE PLANS AND [REDACTED]

II. Commercialisation of EMR Module

- approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for the research and development, industrialisation and commercialisation of the our EMR Module (“[REDACTED] for EMR Module”). The project aims to strengthen our technological capabilities through the development of proprietary EMR-related core technologies and self-developed driver chips, establish in-house manufacturing capabilities for EMR modules, enhance supply chain control and support the commercialisation of EMR solutions for banking, financial and other digital handwriting application scenarios. We expect to utilise the relevant [REDACTED] within approximately 24 months following the [REDACTED].
- (i) *First Phase – Technology Development and Manufacturing Capability Establishment.* Approximately [REDACTED]% of the [REDACTED] for EMR Module, or HK\$[REDACTED], will be utilised within the first 24 months following the [REDACTED].
 - Approximately HK\$[REDACTED], will be used for the development and industrialisation of our proprietary EMR driver chips and the procurement of critical electronic components. The [REDACTED] will be used for chip architecture optimisation, integrated circuit design, intellectual property licensing, tape-out, wafer fabrication, packaging and testing, engineering verification and pilot production of stylus-end and display-end driver chips. A portion of the [REDACTED] will also be used for the procurement of key sensors and other core components required for initial production planning. Upon completion, we expect to establish proprietary chip technologies for EMR modules and reduce our reliance on third-party chip suppliers.
 - Approximately HK\$[REDACTED], will be used to establish dedicated EMR module manufacturing capabilities. The [REDACTED] will be used for the procurement, installation and commissioning of production and testing equipment, including high-precision bonding machines, automated calibration systems, EMC testing systems and related manufacturing equipment. The [REDACTED] will also be used for production-line engineering works and clean- room upgrades required for EMR module manufacturing. Upon completion, we expect to develop in-house production capabilities covering key manufacturing processes of EMR modules.
 - Approximately HK\$[REDACTED], will be used for product certification, testing and regulatory compliance activities. The [REDACTED] will be used to obtain certifications and testing reports required for commercialisation, including electromagnetic compatibility, electrical safety and other applicable regulatory requirements in our target markets. Upon completion, we expect to obtain the certifications necessary for commercial deployment of EMR modules.
- (ii) *Second Phase – Product Development and Commercialisation.* Approximately [REDACTED]% of the [REDACTED] for EMR Module, or HK\$[REDACTED], will be utilised to support the research and development team dedicated to the EMR Module project within the first 18 months following the [REDACTED]. The [REDACTED] will primarily be used for personnel expenses relating to chip development, manufacturing process optimisation, software and firmware enhancement, testing and reliability verification activities. The [REDACTED] will also support continuous product improvement and technical upgrades based on customer requirements and application scenarios. Upon completion, we expect to further enhance product performance, improve manufacturing yields and strengthen the technical capabilities of our EMR Module platform.

FUTURE PLANS AND [REDACTED]

A summary of the above-mentioned implementation plan is as follows:

Period	First Phase			Second Phase
	EMR Driver Chip Development and Critical Component Procurement	EMR Module Manufacturing Capability Development	Product Certification, Testing and Regulatory Compliance	EMR Module R&D Team and Continuous Product Development

[REDACTED]

III. Working Capital and Other General Corporate Purposes

- The remaining [REDACTED]% of the [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this Document.

If the [REDACTED] is exercised in full, and [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (after deducting the estimated [REDACTED] payable by us in connection with the [REDACTED], being the mid- point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purpose in the proportions stated above.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term demand deposits with authorised and licensed commercial banks or financial institutions.

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report, prepared for the purpose of incorporation in this document, received from our Company’s Reporting Accountants, [•], Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN PU YING INNOVATION TECHNOLOGY CORPORATION LIMITED AND EDDID CAPITAL LIMITED

Introduction

We report on the historical financial information of Shenzhen Pu Ying Innovation Technology Corporation Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[•] to I-[•], 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 December 31, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group as at December 31, 2024 and 2025, and the statements of financial position of the Company as at December 31, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the “**Document**”) in connection with the [REDACTED] of the shares of the Company on Growth Enterprise Market 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* as 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.

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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 positions of the Group and the Company as at December 31, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on Growth Enterprise Market of 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-[•] have been made.

We refer to note [11] to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[•]

Certified Public Accountants
Hong Kong

[Date]

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ACCOUNTANT’S REPORT

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 [•] in accordance with Hong Kong Standards on Auditing as 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.

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended December 31,	
		2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>
REVENUE	5	142,943	131,515
Cost of sales		(95,342)	(85,624)
Gross profit		47,601	45,891
Other income and gain	5	5,421	2,568
Selling and distribution expenses		(13,132)	(14,238)
Administrative expenses		(15,142)	(18,566)
Research and development expenses		(8,917)	(11,743)
Reversal of impairment/(impairment) of financial assets at amortised cost, net		(993)	276
Finance costs	7	(313)	(148)
PROFIT BEFORE TAX	6	14,525	4,040
Income tax	10	(6,542)	(1,509)
PROFIT FOR THE YEAR		7,983	2,531
OTHER COMPREHENSIVE LOSS/(INCOME)			
<i>Other comprehensive loss/(income) that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		(1,190)	27
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,793	2,558
Profit for the year attributable to:			
Owners of the parent		7,983	2,531
Total comprehensive income for the year attributable to:			
Owners of the parent		6,793	2,558
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		RMB10 cents	RMB3 cents
Diluted		RMB10 cents	RMB3 cents

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,	
	Notes	2024	2025
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	59,901	54,436
Right-of-use assets	14	1,003	1,059
Intangible assets	15	2,159	1,080
Equity investment designated at fair value through other comprehensive income	16	—	—
Prepayments and deposits	19	275	244
Deferred tax assets	24	3,030	2,969
Total non-current assets		66,368	59,788
CURRENT ASSETS			
Inventories	17	31,576	25,415
Trade and bills receivables	18	23,818	18,068
Prepayments, deposits and other receivables	19	6,284	6,883
Tax recoverable		116	593
Cash and cash equivalents	20	72,811	92,668
Total current assets		134,605	143,627
CURRENT LIABILITIES			
Trade payables	21	8,738	18,330
Other payables and accruals	22	15,814	18,051
Interest-bearing bank borrowings	23	8,453	—
Lease liabilities	14	545	668
Tax payable		1	736
Total current liabilities		33,551	37,785
NET CURRENT ASSETS		101,054	105,842
TOTAL ASSETS LESS CURRENT LIABILITIES		167,422	165,630
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24	248	—
Lease liabilities	14	519	444
Provisions	25	952	1,140
Total non-current liabilities		1,719	1,584
Net assets		165,703	164,046

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	<i>Notes</i>	As at December 31,	
		2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	78,500	78,500
Reserves	27	87,203	85,546
Total equity		165,703	164,046

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the parent						
Notes	Share capital	Shares held under restricted share award scheme	Fair value reserve of a financial asset at fair value through other comprehensive income	Capital reserve	Exchange fluctuation reserve	Surplus reserve	Retained profits	Total equity
	RMB'000 (note 26)	RMB'000 (note 28)	RMB'000	RMB'000 (note 27)	RMB'000 (note 27)	RMB'000 (note 27)	RMB'000	RMB'000
At January 1, 2024	78,500	(6,450)	(4,730)	91,666	332	4,068	10,068	173,454
Profit for the year	-	-	-	-	-	-	7,983	7,983
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	-	-	-	-	(1,190)	-	-	(1,190)
Total comprehensive income for the year	-	-	-	-	(1,190)	-	7,983	6,793
Transfer of reserves	-	-	-	-	-	1,472	(1,472)	-
Purchase of shares held under the restricted share award scheme	28	-	(8,500)	-	-	-	-	(8,500)
Dividend	11	-	-	-	-	-	(6,044)	(6,044)
At December 31, 2024	<u>78,500</u>	<u>(14,950)*</u>	<u>(4,730)*</u>	<u>91,666*</u>	<u>(858)*</u>	<u>5,540*</u>	<u>10,535*</u>	<u>165,703</u>

		Attributable to owners of the parent								
	Notes	Share capital	Shares held under restricted share award scheme	Fair value reserve of a financial asset at fair value through other comprehensive income	Capital reserve	Share-based payment reserve	Exchange fluctuation reserve	Surplus reserve	Retained profits	Total equity
		RMB'000 (note 26)	RMB'000 (note 28)	RMB'000	RMB'000 (note 27)	RMB'000 (note 28)	RMB'000 (note 27)	RMB'000 (note 27)	RMB'000	RMB'000
At January 1, 2025		78,500	(14,950)	(4,730)	91,666	–	(858)	5,540	10,535	165,703
Profit for the year		–	–	–	–	–	–	–	2,531	2,531
Other comprehensive income for the year:										
Exchange differences on translation of foreign operations		–	–	–	–	–	27	–	–	27
Total comprehensive income for the year		–	–	–	–	–	27	–	2,531	2,558
Transfer of reserves		–	–	–	–	–	–	122	(122)	–
Share award arrangements	28	–	–	–	–	2,457	–	–	–	2,457
Dividend	11	–	–	–	–	–	–	–	(6,672)	(6,672)
At December 31, 2025		78,500	(14,950)*	(4,730)*	91,666*	2,457*	(831)*	5,662*	6,272*	164,046

* These reserve accounts comprise the consolidated reserves of RMB87,203,000 and RMB85,546,000 in the consolidated statements of financial position as at December 31, 2024 and 2025 respectively.

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,	
	Notes	2024	2025
		RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		14,525	4,040
Adjustments for:			
Finance costs	7	313	148
Interest income	5	(2,805)	(2,138)
Depreciation of property, plant and equipment	6	6,433	5,848
Depreciation of right-of-use assets	6	651	657
Amortisation of intangible assets	6	1,155	1,169
Loss on disposal/write-off of items of property, plant and equipment, net	6	80	26
Write-off of intangible assets	6	–	54
Write-down of inventories to net realisable value	6	2,073	4,167
Impairment/(reversal of impairment) of trade receivables, net	6	984	(308)
Impairment of other receivables, net	6	9	32
Equity-settled share-based payment expense	6	–	2,457
		23,418	16,152
Decrease in inventories		7,466	2,406
(Increase)/decrease in trade and bills receivables		(6,989)	6,798
Decrease/(increase) in prepayments, deposits and other receivables		441	(488)
(Decrease)/increase in trade payables		(10,004)	9,396
(Decrease)/increase in other payables and accruals		(1,618)	3,946
(Decrease)/increase in provisions		(221)	106
Cash generated from operations		12,493	38,316
Tax paid		(910)	(1,306)
Tax refunded		276	–
Interest received		2,805	2,138
Net cash flows from operating activities		14,664	39,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(1,950)	(1,053)
Additions to intangible assets		(73)	(142)
Proceeds from disposals of items of property, plant and equipment		1,090	268
Net cash flows used in investing activities		(933)	(927)

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		Year ended December 31,	
	Notes	2024	2025
		RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(255)	(108)
Dividends paid		(6,044)	(6,672)
New bank borrowings		9,920	–
Repayment of bank borrowings		(9,667)	(8,453)
Repurchases of shares		(4,250)	(4,250)
Proceeds from grant of share awards		–	2,000
Principal portion of lease payments		(642)	(668)
Interest portion of lease payments		(58)	(40)
Net cash flows used in financing activities		(10,996)	(18,191)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		2,735	20,030
Effect of foreign exchange rate changes, net		71,523	72,811
		(1,447)	(173)
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	72,811	92,668

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ACCOUNTANT’S REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31,	
	Notes	2024	2025
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Investments in subsidiaries	31	100,383	100,383
Property, plant and equipment	13	638	494
Right-of-use assets	14	370	185
Intangible assets	15	2,141	1,058
Prepayments and deposits	19	162	152
Deferred tax assets	24	1,046	580
Total non-current assets		104,740	102,852
CURRENT ASSETS			
Inventories	17	1,982	4,744
Trade and bills receivables	18	10,997	6,296
Prepayments, deposits and other receivables	19	4,072	5,318
Due from subsidiaries	32	28,315	33,469
Tax recoverable		–	519
Cash and cash equivalents	20	59,967	71,264
Total current assets		105,333	121,610
CURRENT LIABILITIES			
Trade payables	21	1,828	832
Other payables and accruals	22	8,815	5,677
Due to a subsidiary	33	16,121	46,276
Interest-bearing bank borrowings	23	8,453	–
Lease liabilities	14	185	193
Total current liabilities		35,402	52,978
NET CURRENT ASSETS		69,931	68,632
TOTAL ASSETS LESS CURRENT LIABILITIES		174,671	171,484

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ACCOUNTANT’S REPORT

		As at December 31,	
	Notes	2024	2025
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	14	193	—
Total non-current liabilities		193	—
Net assets		174,478	171,484
EQUITY			
Issued capital	26	78,500	78,500
Reserves	27	95,978	92,984
Total equity		174,478	171,484

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ACCOUNTANT’S REPORT

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Shenzhen Pu Ying Innovation Technology Corporation Limited is a limited liability company incorporated in the People’s Republic of China (the “**PRC**”) on June 18, 2012. The address of the registered office of the Company is 2211-C309, Building 1, Xincheng Plaza, No. 127 Baomin 2nd Road, Hedong Community, Xixiang Subdistrict, Bao’an District, Shenzhen, PRC. The principal place of business of the Company is located at Unit 1812, West Tower, Coastal Building, No. 33 Wenxin 5th Road, Haizhu Community, Yuehai Subdistrict, Nanshan District, Shenzhen, PRC.

During the Relevant Periods, the Group was principally engaged in the manufacture and sale of digital office equipment and printer assembly parts.

As at the end of the Relevant Periods, 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 incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Pu Ying Olimcom Technology Hong Kong Limited (note (a),(d))	Hong Kong April 5, 2016	HK\$450,000	100	–	Investment holding and import and export trading of printers
Zhuhai Puying Innovation Technology Co., Ltd. (note (b),(d))*	PRC/Chinese mainland July 26, 2018	RMB100,000,000	100	–	Development and manufacturing of intelligent printing equipment and related products
Olimcom International SRL (note (c))	Italy May 25, 2016	EUR100,000	–	100	Development, marketing and sale of hardware, software and information technology solutions

* The English name of this entity registered in the PRC represents the best efforts made by the management of the Company to directly translate its Chinese name as it does not register any official English name.

Notes:

- (a) The statutory financial statements of this entity for the year ended December 31, 2024 prepared under Hong Kong Small and Medium-Sized Entity Financial Reporting Standard were audited by Hiller CPA Limited, a certified public accounting firm registered in Hong Kong.
- (b) The statutory financial statements of this entity for the year ended December 31, 2024 prepared under PRC Generally Accepted Accounting Principles (“**PRC GAAP**”) were audited by Zhongzheng Tiantong Certified Public Accountants LLP Shenzhen Branch, a certified public accounting firm registered in the PRC.
- (c) The statutory financial statements of this entity for the years ended December 31, 2024 and 2025 prepared under Italian accounting principles, issued by the Italian Accounting Body, were audited by Crowe Bompani Srl a Socio Unico, a certified public accounting firm registered in Italy.
- (d) The audit of the financial statements of these entities for the year ended December 31, 2025 has not yet completed.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for an equity investment designated at fair value through other comprehensive income which has been measured at fair value.

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2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after January 1, 2026

² Effective for annual/reporting periods beginning on or after January 1, 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 amended HKFRS Accounting Standards upon initial application. HKFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also required disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosures will be included in the financial statements. Except for HKFRS 18, the other new or amended HKFRS Accounting Standards are not expected to have any significant impact on the Group’s financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Fair value measurement

The Group measures its equity investment at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the 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 reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories and 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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	5 to 10 years
Plant and machinery	5 to 10 years
Buildings	27 years
Building improvements	3 years

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 each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks, patents and licences

Purchased trademarks, patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 5 to 10 years.

Research and development costs

All research costs are charged to the statements of profit or loss and other comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follow:

Properties	2 to 12 years

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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (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 printing machines that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through other comprehensive income.

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 HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset 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

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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.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement of financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Shares held under the restricted share award scheme

Where shares of the Company are purchased from the market for a restricted share award scheme, the consideration paid, including any directly attributable incremental costs, is presented as “Shares held under the restricted share award scheme” and deducted from equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

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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 certain products. Provisions are initially recognised based on sales volume and past experience, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, 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 reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss 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.

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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.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sale of mission-critical specialised printers and all-in-one printing & scanning equipment

Revenue from the sale of mission-critical specialised printers and all-in-one printing & scanning equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the mission-critical specialised printers and all-in-one printing & scanning equipment.

Sale of smart kiosks & terminals

Revenue from smart kiosks & terminals is recognised at a point in time when the solutions is provided and accepted by the customer.

Sale of consumables, spare parts and other products

Revenue from the sale of consumables, spare parts and other products is recognised at the point in time when control of the products is transferred to the customer, generally on delivery or acceptance of the products as agreed in the sales contracts.

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).

Share-based payments

The Company operates a restricted share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using discounted cash flow method with the consideration of discount for lack of marketability (“**DLOM**”), further details of which are given 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 reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of 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.

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Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of unvested shares held under the restricted share award scheme is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in the Chinese mainland and Italy are required to participate in central pension schemes operated by the local governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant and Italy to the relevant laws and regulations of the PRC. These include a 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 has no further obligations beyond the contributions made.

Dividends

The Articles of Association of the Company grants the board of directors of the Company the right to formulate the dividend plan and dividend distributions are approved in the general meeting. Dividend distributions are recognised as a liability when they are approved in the general meeting.

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 the reporting period. 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 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 recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

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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:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are contained in note 24 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets with finite useful lives 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. The carrying amounts of non-financial assets as at December 31, 2024 and 2025, were RMB63,063,000 and RMB56,575,000, respectively, and no indication of impairment for non-financial assets was identified by the Group.

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.

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. At each reporting date, the historical observed default rates/relevant external information are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates/relevant external information, 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/relevant external information 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.

Write-down of inventories to net realisable value

Management reviews the condition of inventories of the Group and writes down the carrying amounts of obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use to their respective net realisable values. The Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions at the end of each of the reporting periods.

The identification of obsolete and slow-moving inventory items requires the use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact on the carrying values of inventories and the write-down of inventories recognised in the periods in which such estimates have been made. The carrying amount of inventories at December 31, 2024 and 2025 were RMB31,576,000 and RMB25,415,000 respectively.

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Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of digital office equipment and printer assembly parts. For the purpose of resources allocation and performance assessment, the Group’s management focuses on the operating results of the Group. As such, the Group’s resource are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended December 31,	
	2024	2025
	RMB’000	RMB’000
Chinese mainland	8,623	10,874
Asia (other than Chinese mainland)	94,020	78,949
Europe	11,657	30,930
North America	14,947	5,838
Others	13,696	4,924
Total revenue	142,943	131,515

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	Year ended December 31,	
	2024	2025
	RMB’000	RMB’000
Chinese mainland	60,909	54,997
Hong Kong	1,761	1,247
Italy	494	403
Total non-current assets	63,164	56,647

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial instruments.

Information about major customers

Revenue from transactions with single external customers amounting to 10% or more of the Group’s revenues are as follows:

	Year ended December 31,	
	2024	2025
	RMB’000	RMB’000
Customer A	N/A*	14,994
Customer B	20,911	N/A*
Customer C	18,116	N/A*

* Less than 10% of the total revenue of the Group in the respective years.

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5. REVENUE, OTHER INCOME AND GAIN

An analysis of revenue is as follows:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Revenue from contracts with customers	142,943	131,515

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Types of goods		
Mission-critical specialised printers and all-in-one printing & scanning equipment	120,674	112,050
Smart kiosks & terminals	8,105	5,216
Consumables, spare parts and other products	14,164	14,249
Total	142,943	131,515

The Group’s entire revenue from the goods transferred is recognised at a point in time.

The following table shows the amount of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of each of the Relevant Periods:		
Sale of goods	1,362	1,230

(ii) Performance obligations

Information about the Group’s performance obligations is summarised below:

Sale of mission-critical specialised printers and all-in-one printing & scanning equipment

Revenue from mission-critical specialised printers and all-in-one printing & scanning equipment consists of four major product series tailored for banking, postal, retail and public institution scenarios, namely PR2 series (including M355 PLUS), MB2 series (including MB2 ADF), PR9 series and PR4 series. Each category of the product is identified as a separate performance obligation, with revenue recognised at a point in time when the customer accepts the delivered product and obtains control of the product. The payment is mainly due within 3 months from delivery or made in advance.

Sale of smart kiosks & terminals

Revenue from smart kiosks & terminals consists of six major categories: document scanning devices, self-service terminals, information interaction terminals, EMR series products, BP series magnetic card equipment, and thermal printing equipment. Each category of the product is identified as a separate performance obligation, with revenue recognised at a point in time when the customer accepts the delivered product and obtains control of the product. The payment is mainly due within 3 months from delivery or made in advance.

Sale of consumables, spare parts and other products

Revenue from consumables, spare parts and other products consists of original consumables and professional spare parts designed to match all of the mission-critical specialised printers and all-in-one printing & scanning equipment and smart kiosks & terminals. Each of which represents a distinct performance obligation under the contract. The performance obligation is satisfied upon the acceptance of delivered supporting consumables and professional spare parts and payment is mainly due within 3 months from delivery or made in advance.

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Practical expedient

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed because all the remaining performance obligations are part of respective contracts that have an original expected duration of one year or less.

An analysis of other income and gains is as follows:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Other income		
Bank interest income	2,805	2,138
Government grants*	398	107
Sale of scraps	173	131
Others	13	192
	3,389	2,568
Gain		
Foreign exchange gains	2,032	–
	5,421	2,568

* The government grants mainly represent incentives awarded by the Chinese government to support the Group’s business operation. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Notes	Year ended December 31,	
		2024	2025
		RMB'000	RMB'000
Cost of inventories sold		93,269	81,457
Write-down of inventories to net realisable value**		2,073	4,167
Depreciation of property, plant and equipment	13	6,433	5,848
Depreciation of right-of-use assets	14	651	657
Amortisation of intangible assets [#]	15	1,155	1,169
Lease payments not included in the measurement of lease liabilities	14	706	674
Research and development expenses		8,917	11,743
Auditors’ remuneration		220	521
Employee benefit expense (including directors’ and supervisors’ remuneration (note 8)) [@]			
Salaries, bonuses and other benefits		33,442	33,301
Equity-settled share-based payment expense	28	–	2,457
Pension scheme contributions (defined contribution schemes)***		1,393	1,548
		34,835	37,306
Impairment/(reversal of impairment) of trade receivables, net [^]	18	984	(308)
Impairment of other receivables, net [^]	19	9	32
Loss on disposal/write-off of items of property, plant and equipment, net*		80	26
Write-off of intangible assets	15	–	54
Foreign exchange differences, net*		(2,032)	2,737

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- * These gains are included in “Other income and gain” and the losses are included in “Administrative expenses”, as appropriate, in the consolidated statements of profit or loss and other comprehensive income.
- ** Included in “Cost of sales” in the consolidated statements of profit or loss and other comprehensive income.
- ^ These are included in “Reversal of impairment/(impairment) of financial assets, net” in the consolidated statement of profit or loss and other comprehensive income.
- @ Employee benefit expense is included in “Cost of sales”, “Administrative expenses”, “Selling and distribution expenses” and “Research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.
- # Amortisation of intangible assets is included in “Administrative expenses”, “Selling and distribution expenses” and “Research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.
- *** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

		Year ended December 31,	
		2024	2025
		RMB'000	RMB'000
Interest on bank borrowings		255	108
Interest on lease liabilities	14	58	40
		313	148

8. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The remuneration of the Company’s directors and supervisors during the Relevant Periods is set out below:

		Year ended December 31,	
		2024	2025
		RMB'000	RMB'000
Salaries, allowances and benefits in kind		4,198	4,263
Performance related bonuses*		2,080	1,074
Equity-settled share-based payment expense		–	1,229
Pension scheme contributions (defined contribution schemes)		128	150
Total		6,406	6,716

- * Based on the Group’s performance

During the year ended December 31, 2025, certain directors were granted shares under the restricted share award scheme, further details of which are set out in note 28 to the Historical Financial Information. The fair value of such share awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors’ and supervisors’ remuneration disclosures.

(a) Independent non-executive directors

Subsequent to the end of the Relevant Periods, Mr. Li Siu Bun, Ms. Wong Yee Shuen Regina and Ms. Wu Ying were appointed as independent non-executive directors of the Company on [•].

There were no fees or other emoluments paid or payable to the independent non-executive directors during the Relevant Periods.

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(b) Executive directors, non-executive directors and supervisors

Year ended December 31, 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Zheng Xiaohui	1,495	650	–	50	2,195
Ms. Zhao Hui	1,013	650	–	50	1,713
Ms. Chen Deying	965	500	–	–	1,465
Subtotal	3,473	1,800	–	100	5,373
Non-executive directors:					
Mr. Zhang Peng	–	–	–	–	–
Ms. Gao Huanming	–	–	–	–	–
Mr. Ji Wenjie	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Lei Min	239	110	–	14	363
Mr. Xu Bo	271	110	–	–	381
Mr. Li Dan	215	60	–	14	289
Subtotal	725	280	–	28	1,033
Total	4,198	2,080	–	128	6,406

Year ended December 31, 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Zheng Xiaohui	1,527	379	–	67	1,973
Ms. Zhao Hui	1,041	365	–	67	1,473
Ms. Chen Deying	965	120	614	–	1,699
Subtotal	3,533	864	614	134	5,145
Non-executive directors:					
Mr. Zhang Peng	–	–	–	–	–
Ms. Gao Huanming	–	–	–	–	–
Mr. Ji Wenjie	–	–	–	–	–
Subtotal	–	–	–	–	–
Supervisors:					
Ms. Lei Min	235	80	123	8	446
Mr. Xu Bo	272	80	246	–	598
Mr. Li Dan	223	50	246	8	527
Subtotal	730	210	615	16	1,571
Total	4,263	1,074	1,229	150	6,716

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the Relevant Periods.

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended December 31, 2024 and 2025 included three directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two highest paid employees who are neither a director nor a supervisor of the Company during the Relevant Periods are as follows:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Salaries and allowances	2,572	2,681
Performance related bonuses	158	30
Pension scheme contributions	343	359
Total	3,073	3,070

The numbers of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended December 31,	
	2024	2025
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$2,000,001 to HK\$3,000,000	1	1
Total	2	2

The non-director and non-supervisor highest paid employees are also members of senior management of the Group. During the Relevant Periods, no remuneration was paid by the Group to the highest paid non-director or non-supervisor individual as an inducement to join or upon joining the Group, or as a compensation for loss of office.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the People’s Republic of China and the respective regulations, the Company and its subsidiaries which operate in the Chinese mainland are subject to income tax at a rate of 25% on their respective taxable income.

Hong Kong

During the Relevant Periods, one subsidiary of the Group, Pu Ying Olicom Technology Hong Kong Limited, is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Other jurisdictions

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Current		
Hong Kong profits tax	533	338
Chinese mainland – income tax	–	606
Elsewhere – income taxes	53	604
Underprovision in prior years	163	87
Deferred (note 24)	5,793	(126)
Total tax charge for the year	6,542	1,509

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A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Profit before tax	14,525	4,040
Tax at the statutory tax rate of 25% (2024: 25%)	3,631	1,010
Effect of different tax rates in other jurisdictions	(93)	33
Adjustments in respect of current tax of previous periods	163	87
Tax effect of intergroup dividends	1,769	–
Income not subject to tax	(22)	(27)
Expenses not deductible for tax	121	23
Tax losses not recognised	–	63
Tax losses utilised from previous periods	(23)	–
Others	996	320
Tax charge at the Group’s effective tax rate	6,542	1,509

11. DIVIDENDS

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Dividends	6,044	6,672

On July 27, 2024, the Company declared an interim dividend of RMB0.08 per share, totalling approximately RMB6,044,000 to its shareholders.

On June 30, 2025, the Company declared an interim dividend of RMB0.09 per share, totalling approximately RMB6,672,000 to its shareholders.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the Relevant Periods.

The calculation of the diluted earnings per share amount for the years ended December 31, 2024 and 2025 is based on the profit attributable to the ordinary equity holders of the parent and the total of (i) the weighted average number of ordinary shares as used in the basic earnings per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended December 31,	
	2024	2025
Earnings (RMB'000)		
Profit for the year attributable to ordinary equity holders of the parent, for the purpose of basic and diluted earnings per share calculation	7,983	2,531
Shares ('000)		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	76,666	75,095
Effect of dilution – weighted average number of ordinary shares:		
Restricted shares awarded under the Company’s restricted share award scheme	–	467
Weighted average number of ordinary shares outstanding during the year used in the diluted earnings per share calculation	76,666	75,562

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Building improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
December 31, 2024						
At January 1, 2024:						
Cost	50,362	20,364	934	366	3,616	75,642
Accumulated depreciation	(732)	(8,538)	(649)	(127)	(356)	(10,402)
Net carrying amount	<u>49,630</u>	<u>11,826</u>	<u>285</u>	<u>239</u>	<u>3,260</u>	<u>65,240</u>
At January 1, 2024, net of accumulated depreciation	49,630	11,826	285	239	3,260	65,240
Additions	–	722	61	640	527	1,950
Disposals/write-off, net	–	(1,070)	(47)	(53)	–	(1,170)
Depreciation provided during the year	(1,765)	(2,980)	(108)	(257)	(1,323)	(6,433)
Exchange realignment	–	308	6	–	–	314
At December 31, 2024, net of accumulated depreciation	<u>47,865</u>	<u>8,806</u>	<u>197</u>	<u>569</u>	<u>2,464</u>	<u>59,901</u>
At December 31, 2024:						
Cost	50,362	19,498	774	651	4,143	75,428
Accumulated depreciation	(2,497)	(10,692)	(577)	(82)	(1,679)	(15,527)
Net carrying amount	<u>47,865</u>	<u>8,806</u>	<u>197</u>	<u>569</u>	<u>2,464</u>	<u>59,901</u>
December 31, 2025						
At January 1, 2025:						
Cost	50,362	19,498	774	651	4,143	75,428
Accumulated depreciation	(2,497)	(10,692)	(577)	(82)	(1,679)	(15,527)
Net carrying amount	<u>47,865</u>	<u>8,806</u>	<u>197</u>	<u>569</u>	<u>2,464</u>	<u>59,901</u>
At January 1, 2025, net of accumulated depreciation	47,865	8,806	197	569	2,464	59,901
Additions	–	310	117	241	385	1,053
Disposals/write-off, net	–	(72)	(6)	(216)	–	(294)
Depreciation provided during the year	(1,766)	(2,399)	(105)	(144)	(1,434)	(5,848)
Exchange realignment	–	(377)	1	–	–	(376)
At December 31, 2025, net of accumulated depreciation	<u>46,099</u>	<u>6,268</u>	<u>204</u>	<u>450</u>	<u>1,415</u>	<u>54,436</u>
At December 31, 2025:						
Cost	50,362	19,342	892	609	4,528	75,733
Accumulated depreciation	(4,263)	(13,074)	(688)	(159)	(3,113)	(21,297)
Net carrying amount	<u>46,099</u>	<u>6,268</u>	<u>204</u>	<u>450</u>	<u>1,415</u>	<u>54,436</u>

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The Company

	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2024				
At January 1, 2024:				
Cost	1,532	232	109	1,873
Accumulated depreciation	(937)	(169)	(103)	(1,209)
Net carrying amount	595	63	6	664
At January 1, 2024, net of accumulated depreciation	595	63	6	664
Additions	–	5	640	645
Disposals/write-off, net	(502)	(35)	(6)	(543)
Depreciation provided during the year	(47)	(9)	(72)	(128)
At December 31, 2024, net of accumulated depreciation	46	24	568	638
At December 31, 2024:				
Cost	210	35	640	885
Accumulated depreciation	(164)	(11)	(72)	(247)
Net carrying amount	46	24	568	638
	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2025				
At January 1, 2025:				
Cost	210	35	640	885
Accumulated depreciation	(164)	(11)	(72)	(247)
Net carrying amount	46	24	568	638
At January 1, 2025, net of accumulated depreciation	46	24	568	638
Additions	–	–	240	240
Disposals/write-off, net	–	–	(215)	(215)
Depreciation provided during the year	(16)	(9)	(144)	(169)
At December 31, 2025, net of accumulated depreciation	30	15	449	494
At December 31, 2025:				
Cost	210	35	598	843
Accumulated depreciation	(180)	(20)	(149)	(349)
Net carrying amount	30	15	449	494

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14. LEASE

The Group as a lessee

The Group has lease contracts for various properties used in its operations. Leases of properties generally have lease terms between 2 and 12 years. Certain properties have lease terms of 12 months or less.

(a) *Right-of-use assets*

The carrying amount of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Properties
	<i>RMB’000</i>
As at January 1, 2024	1,114
Additions	555
Depreciation charge	(651)
Exchange realignment	(15)
As at December 31, 2024 and January 1, 2025	1,003
Additions	698
Depreciation charge	(657)
Exchange realignment	15
As at December 31, 2025	1,059

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at January 1	1,169	1,064
New leases	555	698
Accretion of interest recognised during the year	58	40
Payments	(700)	(708)
Exchange realignment	(18)	18
Carrying amount at December 31	1,064	1,112
Analysed into:		
Current portion	545	668
Non-current portion	519	444
Lease liabilities repayable:		
Within one year	545	668
In the second year	320	371
In the third to fifth years, inclusive	199	73
Carrying amount at December 31	1,064	1,112

The maturity analysis of lease liabilities is disclosed in note 38 to the Historical Financial Information.

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(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	Year ended December 31,	
	2024	2025
	RMB'000	RMB'000
Interest on lease liabilities	58	40
Depreciation charge of right-of-use assets	651	657
Expenses relating to short-term leases and low-value leases (included in administrative expenses and selling and distribution expenses)	706	674
Total amount recognised in profit or loss	1,415	1,371

(d) The total cash outflow for leases is disclosed in note 29(c) to the Historical Financial Information.

The Company as a lessee

(a) *Right-of-use assets*

The carrying amount of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Properties
	RMB'000
As at January 1, 2024	–
Additions	555
Depreciation charge	(185)
As at December 31, 2024 and January 1, 2025	370
Depreciation charge	(185)
As at December 31, 2025	185

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	2024	2025
	RMB'000	RMB'000
Carrying amount at January 1	–	378
New leases	555	–
Accretion of interest recognised during the year	17	9
Payments	(194)	(194)
Carrying amount at December 31	378	193
Analysed into:		
Current portion	185	193
Non-current portion	193	–
Lease liabilities repayable:		
Within one year	185	193
In the second year	193	–
Carrying amount at December 31	378	193

The maturity analysis of lease liabilities is disclosed in note 38 to the Historical Financial Information.

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15. INTANGIBLE ASSETS

The Group

	Trademarks, patents and licences	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2024			
Cost at January 1, 2024, net of accumulated amortisation	1,976	1,266	3,242
Additions	–	73	73
Amortisation provided during the year	(875)	(280)	(1,155)
Exchange realignment	–	(1)	(1)
	<u>1,101</u>	<u>1,058</u>	<u>2,159</u>
At December 31, 2024	<u>1,101</u>	<u>1,058</u>	<u>2,159</u>
At December 31, 2024:			
Cost	8,750	2,923	11,673
Accumulated amortisation	<u>(7,649)</u>	<u>(1,865)</u>	<u>(9,514)</u>
	<u>1,101</u>	<u>1,058</u>	<u>2,159</u>
Net carrying amount	<u>1,101</u>	<u>1,058</u>	<u>2,159</u>
December 31, 2025			
Cost at January 1, 2025, net of accumulated amortisation	1,101	1,058	2,159
Additions	–	142	142
Write off	–	(54)	(54)
Amortisation provided during the year	(875)	(294)	(1,169)
Exchange realignment	–	2	2
	<u>226</u>	<u>854</u>	<u>1,080</u>
At December 31, 2025	<u>226</u>	<u>854</u>	<u>1,080</u>
At December 31, 2025:			
Cost	8,750	3,003	11,753
Accumulated amortisation	<u>(8,524)</u>	<u>(2,149)</u>	<u>(10,673)</u>
	<u>226</u>	<u>854</u>	<u>1,080</u>
Net carrying amount	<u>226</u>	<u>854</u>	<u>1,080</u>

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The Company

	Trademarks, patents and licences	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
December 31, 2024			
Cost at January 1, 2024, net of accumulated amortisation	1,976	1,243	3,219
Additions	–	67	67
Amortisation provided during the year	(875)	(270)	(1,145)
At December 31, 2024	<u>1,101</u>	<u>1,040</u>	<u>2,141</u>
At December 31, 2024:			
Cost	8,750	2,871	11,621
Accumulated amortisation	(7,649)	(1,831)	(9,480)
Net carrying amount	<u>1,101</u>	<u>1,040</u>	<u>2,141</u>
December 31, 2025			
Cost at January 1, 2025, net of accumulated amortisation	1,101	1,040	2,141
Additions	–	128	128
Write off	–	(54)	(54)
Amortisation provided during the year	(875)	(282)	(1,157)
At December 31, 2025	<u>226</u>	<u>832</u>	<u>1,058</u>
At December 31, 2025:			
Cost	8,750	2,932	11,682
Accumulated amortisation	(8,524)	(2,100)	(10,624)
Net carrying amount	<u>226</u>	<u>832</u>	<u>1,058</u>

16. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted equity investment, at fair value:		
Union Wealthy Investment Limited (“Union Wealthy”)	<u>–</u>	<u>–</u>

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

Prior to the Relevant Periods, management considered that it was unlikely to recover the investment and the fair value of the equity investment in Union Wealthy was zero as at December 31, 2024 and 2025.

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17. INVENTORIES

The Group

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Raw materials	23,160	14,878
Finished goods	8,416	10,537
	31,576	25,415

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Finished goods	1,982	4,744

18. TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Bills receivable	657	3,833
Trade receivables	24,757	14,521
Impairment	(1,596)	(286)
Total	23,818	18,068

The Group’s trading terms with its customers are mainly on credit. The credit period is generally one to three months. 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 senior management. In view of the aforementioned and the fact that the Group’s trade and bills receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	23,431	17,983
1 to 2 years	387	67
2 to 3 years	–	18
Total	23,818	18,068

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The movements in loss allowance for impairment are as follows:

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
At beginning of year	647	1,596
Impairment/(reversal of impairment), net (<i>note 6</i>)	984	(308)
Written off as uncollectible	(30)	(1,004)
Exchange realignment	(5)	2
At end of year	1,596	286

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. 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:

As at December 31, 2024

	Current	Past due			Credit-impaired	Total
		Less than 1 year	1 to 2 years	2 to 3 years		
Expected credit loss rate	0.04%	0.04%	4.30%	100.00%	100.00%	6.28%
Gross carrying amount (<i>RMB'000</i>)	13,239	10,321	279	3	1,572	25,414
Expected credit losses (<i>RMB'000</i>)	5	4	12	3	1,572	1,596

As at December 31, 2025

	Current	Past due			Total
		Less than 1 year	1 to 2 years	2 to 3 years	
Expected credit loss rate	0.42%	0.62%	25.53%	93.00%	1.56%
Gross carrying amount (<i>RMB'000</i>)	12,277	5,830	47	200	18,354
Expected credit losses (<i>RMB'000</i>)	52	36	12	186	286

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Bills receivable	657	3,833
Trade receivables	11,924	2,479
Impairment	(1,584)	(16)
Total	10,997	6,296

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	10,793	6,294
1 to 2 years	204	2
Total	10,997	6,296

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The movements in loss allowance for impairment are as follows:

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
At beginning of year	467	1,584
Impairment/(reversal of impairment), net	1,147	(564)
Written off as uncollectible	(30)	(1,004)
At end of year	1,584	16

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. 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 Company’s trade and bills receivables using a provision matrix:

As at December 31, 2024

	Current	Past due			Credit-impaired	Total
		Less than 1 year	1 to 2 years	2 to 3 years		
Expected credit loss rate	0.04%	0.04%	5.43%	100.00%	100.00%	12.59%
Gross carrying amount (RMB'000)	8,157	2,757	92	3	1,572	12,581
Expected credit losses (RMB'000)	3	1	5	3	1,572	1,584

As at December 31, 2025

	Current	Past due		Total
		Less than 1 year	1 to 2 years	
Expected credit loss rate	0.17%	0.65%	50.00%	0.25%
Gross carrying amount (RMB'000)	5,393	917	2	6,312
Expected credit losses (RMB'000)	9	6	1	16

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Prepayments	2,746	1,752
Deposits and other receivables	3,837	5,431
Impairment	(24)	(56)
Total	6,559	7,127
Analysed into:		
Current portion	6,284	6,883
Non-current portion	275	244

The financial assets included in the above balances relate to receivables for which there was no recent history of significant default and past due amounts. During the years ended December 31, 2024 and 2025, provision of RMB9,000 and RMB32,000 was made respectively.

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The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Prepayments	2,272	627
Deposits and other receivables	1,979	4,884
Impairment	(17)	(41)
Total	4,234	5,470
Analysed into:		
Current portion	4,072	5,318
Non-current portion	162	152

The financial assets included in the above balances relate to receivables for which there was no recent history of significant default and past due amounts. During the years ended December 31, 2024 and 2025, provision of RMB9,000 and RMB24,000 was made respectively.

20. CASH AND CASH EQUIVALENTS

The Group

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Cash and bank balances	72,811	92,668

At December 31, 2024 and 2025, the Group’s cash and bank balances denominated in RMB amounted to RMB5,315,000 and RMB1,645,000 respectively. The RMB is not freely convertible into other currencies, however, under PRC’s Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Cash and bank balances	59,967	71,264

21. TRADE PAYABLES

The Group

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 December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	8,109	17,758
1 to 2 years	64	11
2 to 3 years	484	–
Over 3 years	81	561
Total	8,738	18,330

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The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Within 1 year	1,798	831
1 to 2 years	30	–
2 to 3 years	–	1
Total	1,828	832

22. OTHER PAYABLES AND ACCRUALS

The Group

	Notes	As at December 31,	
		2024	2025
		RMB'000	RMB'000
Contract liabilities	(a)	1,230	3,201
Other payables and accruals	(b)	7,360	5,860
Other taxes payables		947	1,909
Payroll payable		6,277	7,081
Total		15,814	18,051

Notes:

(a) Details of contract liabilities are as follows:

	January 1, 2024	December 31, 2024	December 31, 2025
	RMB'000	RMB'000	RMB'000
<i>Short-term advances received from customers</i>			
Sale of goods	1,362	1,230	3,201

Contract liabilities include short-term advances received from customers. The decrease in contract liabilities in 2024 and the increase in 2025 were mainly due to the decrease and increase in short-term advances received from customers respectively.

(b) Other payables are non-interest-bearing and have an average term of three months.

The Company

	Notes	As at December 31,	
		2024	2025
		RMB'000	RMB'000
Contract liabilities	(a)	533	698
Other payables and accruals	(b)	4,610	2,783
Other taxes payables		680	47
Payroll payable		2,992	2,149
Total		8,815	5,677

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Notes:

- (a) Details of contract liabilities are as follows:

	January 1, 2024	December 31, 2024	December 31, 2025
	RMB'000	RMB'000	RMB'000
<i>Short-term advances received from customers</i>			
Sale of goods	184	533	698

Contract liabilities include short-term advances received from customers. The increase in contract liabilities in 2024 and 2025 was mainly due to the increase in short-term advances received from customers.

- (b) Other payables are non-interest-bearing and have an average term of three months.

23. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	Notes	As at December 31,	
		2024	2025
		RMB'000	RMB'000
Current			
Bank borrowings – secured	(a), (b)	8,453	–
Analysed into:			
Bank borrowings repayable:			
Within one year		8,453	–

Notes:

- (a) The Group’s interest-bearing bank borrowings are denominated in RMB.
- (b) As at December 31, 2024, the loan is secured by certain of the Group’s items of property, plant and equipment which had a net carrying amount of approximately RMB35,606,000 and a guarantee of a director of the Company, bore interest at 1.5% per annum below 1-year Loan Prime Rate and was repayable in May 2025.

24. DEFERRED TAX

The Group

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets	Depreciation allowance in excess of related depreciation	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2024	133	–	133
Deferred tax charged to profit or loss during the year	63	240	303
Exchange realignment	(7)	9	2
At December 31, 2024 and January 1, 2025	189	249	438
Deferred tax credited to profit or loss during the year	(73)	(244)	(317)
Exchange realignment	6	(5)	1
At December 31, 2025	122	–	122

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Deferred tax assets

	Unrealised profits of inventories	Losses available for offsetting against future taxable profits	Lease liabilities	Impairment of assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	166	7,159	145	1,279	8,749
Deferred tax credited/(charged) to profit or loss during the year	150	(6,466)	64	762	(5,490)
Exchange realignment	(18)	–	(7)	(14)	(39)
At December 31, 2024 and January 1, 2025	298	693	202	2,027	3,220
Deferred tax credited/(charged) to profit or loss during the year	(118)	(389)	(76)	392	(191)
Exchange realignment	17	–	7	38	62
At December 31, 2025	197	304	133	2,457	3,091

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	3,030	2,969
Net deferred tax liabilities recognised in the consolidated statements of financial position	(248)	–
Total	2,782	2,969

The Group has tax losses arising in Hong Kong of nil and RMB380,000 as at December 31, 2024 and 2025, respectively, that are available indefinitely for offsetting against future taxable profits of the subsidiary in Hong Kong in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses arisen in Hong Kong due to the unpredictability of future taxable profit streams of the subsidiary and it is currently considered uncertain that taxable profits will be available against which such tax losses can be utilised.

The Group is liable for withholding tax on dividend distributed by the subsidiary established in Italy. The applicable rate is 10% for the Group.

At December 31, 2024 and 2025, no deferred tax has been recognised for withholding tax that would be payable on the unremitted earnings that are subject to withholding tax of the Group’s subsidiary established in Italy. In the opinion of the directors, it is not probable that the subsidiary will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investment in the subsidiary in Italy for which deferred tax liabilities have not been recognised totalled approximately RMB1,707,000 and RMB509,000 at December 31, 2024 and 2025 respectively.

The Company

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At January 1, 2024	–
Deferred tax charged to profit or loss during the year	92
At December 31, 2024 and January 1, 2025	92
Deferred tax credited to profit or loss during the year	(46)
At December 31, 2025	46

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Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Impairment of assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024	–	5,813	154	5,967
Deferred tax credited/(charged) to profit or loss during the year	94	(5,169)	246	(4,829)
At December 31, 2024 and January 1, 2025	94	644	400	1,138
Deferred tax charged to profit or loss during the year	(46)	(340)	(126)	(512)
At December 31, 2025	48	304	274	626

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position of the Company. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the statements of financial position of the Company	1,046	580

25. PROVISIONS

The Group

	As at December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	1,241	952
Additional provision	–	124
Amounts utilised during the year	(221)	(18)
Exchange realignment	(68)	82
At end of year	952	1,140

Included in the above balance is provision for a litigation brought against the Group’s Italian subsidiary by Italian Social Security Authority (“INPS”) claiming certain incorrect calculation of the social security contribution for years 2022–2023 of approximately RMB896,000 and RMB974,000, as at December 31, 2024 and 2025 respectively. The litigation provision amount represented the total amount requested by INPS.

The remaining provision balance represented provision for warranties of approximately RMB56,000 and RMB166,000 as at December 31, 2024 and 2025 respectively. The Group provides factory warranties for certain customers for general repairs of defects occurring during the warranty period.

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26. SHARE CAPITAL

The Group and the Company

Shares

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Issued and fully paid: 78,500,000 ordinary shares of RMB1 each	78,500	78,500

A summary of movements in the Company’s share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At January 1, 2024, December 31, 2024 and 2025	78,500,000	78,500

27. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for each of the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) *Capital reserve*

The capital reserve mainly represents the amount paid by shareholders for capital injection in excess of the nominal value of the share issued.

(b) *Surplus reserve*

In accordance with the Company Law of the People’s Republic of China, the companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the relevant PRC authorities, the statutory surplus reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory surplus reserve is not available for dividend distribution to shareholders of the PRC companies.

(c) *Exchange fluctuation reserve*

Exchange fluctuation reserve comprises foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

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The Company

A summary of the movements of the Company’s reserves is as follows:

	Shares held under restricted share award scheme	Capital reserve	Share-based payment reserve	Surplus reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	(6,450)	91,666	–	4,068	6,517	95,801
Total comprehensive income for the year	–	–	–	–	14,721	14,721
Transfer of reserves	–	–	–	1,472	(1,472)	–
Purchase of shares held under the restricted share award scheme (note 28)	(8,500)	–	–	–	–	(8,500)
Dividend (note 11)	–	–	–	–	(6,044)	(6,044)
At December 31, 2024 and January 1, 2025	(14,950)	91,666	–	5,540	13,722	95,978
Total comprehensive income for the year	–	–	–	–	1,221	1,221
Transfer of reserves	–	–	–	122	(122)	–
Share award arrangements (note 28)	–	–	2,457	–	–	2,457
Dividend (note 11)	–	–	–	–	(6,672)	(6,672)
At December 31, 2025	(14,950)	91,666	2,457	5,662	8,149	92,984

28. SHARE BASED PAYMENTS

For the purpose of awarding the employees and directors of the Group to secure their services and incentivise their maximum effort towards the Group’s success, the shareholders of the Group set up a limited partnership in the PRC as an onshore shareholding platform (“Shareholding Platform”) in December 2021.

In December 2021, pursuant to the approval at the third extraordinary shareholders’ meeting, the Company repurchased 300,000 shares and 150,000 shares (in aggregate 450,000 shares) from two individual shareholders of the Company at RMB4.00 per share for a total consideration of RMB1,800,000 as a source of incentive equity. The repurchased shares by the Company (“Shares”) were subsequently transferred to the Shareholding Platform.

In December 2022, pursuant to approval at the second extraordinary shareholders’ meeting, the Company repurchased 750,000 shares, 150,000 shares and 30,000 shares (in aggregate 930,000 shares) from three shareholders of the Company at RMB5.00 per share for a total consideration of RMB4,650,000, and transferred all such Shares to the Shareholding Platform.

In July 2024, pursuant to approval at the 2023 annual shareholders’ meeting, the Company repurchased 2,025,000 shares from a shareholder of the Company at a total consideration of RMB8,500,000 (approximately RMB4.20 per share), and transferred all such Shares to the Shareholding Platform.

In March 2025, 2,974,491 Shares with par value of RMB1.00 each were granted to certain eligible participants and issued to the Shareholding Platform. Details of the granted restricted shares are as follows:

Date of grant	Number of shares	Subscription price per share	Fair value at grant date per share
		RMB	RMB
March 31, 2025	2,974,491	0.67	3.964

These restricted shares granted to employees shall be vested over 3 years since the grant date. The eligible participants would be repaid with original subscription price if employment were terminated before the vesting date.

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The following restricted shares were outstanding under the restricted share award scheme during the Relevant Periods:

	Number of restricted shares
At January 1, 2024, December 31, 2024 and January 1, 2025	–
Granted during the year	2,974,491
At December 31, 2025	2,974,491

During the year ended December 31, 2025, the equity-settled share-based payment expenses of RMB2,457,000 were charged to profit or loss.

The fair value of services received in return for shares granted was measured by reference to the fair value of shares granted less the subscription price paid by the eligible participants. The fair value of the shares granted is measured as the market value at the grant date, which is determined by an external valuer using discounted cash flow method with the consideration of DLOM to determine the underlying equity fair value of the Company, taking into account the terms and conditions upon which the restricted shares were granted. The following table lists the inputs to the model used to estimate the fair value of restricted shares granted during the Relevant Periods:

	As at the grant date in the year of 2025
Risk-free interest rate (%)	2.25%
Weighted average cost of capital (%)	15%
DLOM	18.0%

29. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended December 31, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB555,000 and RMB698,000, respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Interest- bearing bank borrowings
	RMB'000	RMB'000
December 31, 2024		
At January 1, 2024	1,169	8,200
Changes from financing cash flows (including interest portion)	(700)	(2)
New leases	555	–
Interest expense	58	255
Exchange realignment	(18)	–
At December 31, 2024	1,064	8,453
December 31, 2025		
At January 1, 2025	1,064	8,453
Changes from financing cash flows (including interest portion)	(708)	(8,561)
New leases	698	–
Interest expense	40	108
Exchange realignment	18	–
At December 31, 2025	1,112	–

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(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 December 31,	
	2024	2025
	RMB'000	RMB'000
Within operating activities	706	674
Within financing activities	700	708
Total	1,406	1,382

30. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s bank loans are included in note 23 to the Historical Financial Information.

31. INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Investments, at cost	100,383	100,383

32. DUE FROM SUBSIDIARIES

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Olicom International SRL	7,457	18,692
Pu Ying Olicom Technology Hong Kong Limited	20,858	14,777
	28,315	33,469

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

33. DUE TO A SUBSIDIARY

The Company

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Zhuhai Puying Innovation Technology Co., Ltd.	16,121	46,276

The amount due to a subsidiary is unsecured, interest-free and repayable on demand.

34. COMMITMENTS

As at the end of each of the Relevant Periods, the Group did not have any contractual commitments.

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35. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the Relevant Periods:

	<i>Notes</i>	Year ended December 31,	
		2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>
Director:			
Rental expense	(i)	206	206

Note:

- (i) Rental expense was charged based on terms as agreed by the relevant parties as set out in respective agreements.
- (b) Compensation of key management personnel of the Group:

	Year ended December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and allowances	4,198	4,263
Performance related bonuses	2,080	1,074
Equity-settled share-based payment expense	–	1,229
Pension scheme contributions	128	150
Total compensation paid to key management personnel	6,406	6,716

Further details of directors’ and supervisors’ emoluments 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 are as follows:

The Group

Financial assets

	As at December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Financial asset at fair value through other comprehensive income:		
Equity investment	–	–
Financial assets at amortised cost:		
Trade and bills receivables	23,818	18,068
Financial assets included in prepayments, deposits and other receivables	317	281
Cash and cash equivalents	72,811	92,668
Total	96,946	111,017

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Financial liabilities

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Financial liabilities at amortised cost:		
Trade payables	8,738	18,330
Financial liabilities included in other payables and accruals	7,360	5,860
Interest-bearing bank borrowings	8,453	–
Lease liabilities	1,064	1,112
Total	25,615	25,302

The Company

Financial assets

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Financial assets at amortised cost:		
Trade and bills receivables	10,997	6,296
Financial assets included in prepayments, deposits and other receivables	145	168
Due from subsidiaries	28,315	33,469
Cash and cash equivalents	59,967	71,264
Total	99,424	111,197

Financial liabilities

	As at December 31,	
	2024	2025
	RMB'000	RMB'000
Financial liabilities at amortised cost:		
Trade payables	1,828	832
Financial liabilities included in other payables and accruals	4,610	2,783
Due to a subsidiary	16,121	46,276
Interest-bearing bank borrowings	8,453	–
Lease liabilities	378	193
Total	31,390	50,084

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values.

The fair value of the unlisted investment was estimated by using a discounted cash flow valuation model based on the expected future cash flows from the investment. In the opinion of the directors of the Company, no material cash inflows are expected from this investment and, accordingly, its fair value is considered to be minimal.

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Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Asset measured at fair value:

The fair value measurement of equity investment designated at fair value through other comprehensive income was using significant unobservable inputs (Level 3) as at December 31, 2024 and 2025.

There were no movements in fair value measurements during the Relevant Periods.

The Group did not have any financial liabilities measured at fair value as at December 31, 2024 and 2025.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments include interest-bearing bank borrowings, lease liabilities, and cash and cash equivalents. 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, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The management of the Group reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group’s financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the United States dollar (“US\$”) and European dollar (“EUR”) exchange rates, with all other variables held constant, of the Group’s profit before tax (due to changes in the translated value of monetary assets and liabilities).

As at December 31, 2024		
	Change in foreign currency rate	Increase/ (decrease) in profit before tax
	%	RMB’000
If RMB weakens against US\$	1	829
If RMB strengthens against US\$	(1)	(829)
If RMB weakens against EUR	1	14
If RMB strengthens against EUR	(1)	(14)

As at December 31, 2025		
	Change in foreign currency rate	Increase/ (decrease) in profit before tax
	%	RMB’000
If RMB weakens against US\$	1	861
If RMB strengthens against US\$	(1)	(861)
If RMB weakens against EUR	1	70
If RMB strengthens against EUR	(1)	(70)

Credit risk

The Group mainly transacts on credit with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

APPENDIX I

ACCOUNTANT’S REPORT

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 December 31, 2024 and 2025. The amounts presented are gross carrying amounts for financial assets.

The Group

As at December 31, 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*	–	–	–	24,757	24,757
Bills receivable*	–	–	–	657	657
Financial assets included in prepayments, deposits and other receivables					
– Normal**	341	–	–	–	341
Cash and cash equivalents					
– Not yet past due	72,811	–	–	–	72,811
Total	73,152	–	–	25,414	98,566

As at December 31, 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*	–	–	–	14,521	14,521
Bills receivable*	–	–	–	3,833	3,833
Financial assets included in prepayments, deposits and other receivables					
– Normal**	337	–	–	–	337
Cash and cash equivalents					
– Not yet past due	92,668	–	–	–	92,668
Total	93,005	–	–	18,354	111,359

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** 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. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

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ACCOUNTANT’S REPORT

The Company

As at December 31, 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*	–	–	–	11,924	11,924
Bills receivable*	–	–	–	657	657
Financial assets included in prepayments, deposits and other receivables					
– Normal**	162	–	–	–	162
Due from subsidiaries					
– Not yet past due	28,315	–	–	–	28,315
Cash and cash equivalents					
– Not yet past due	59,967	–	–	–	59,967
Total	88,444	–	–	12,581	101,025

As at December 31, 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*	–	–	–	2,479	2,479
Bills receivable*	–	–	–	3,833	3,833
Financial assets included in prepayments, deposits and other receivables					
– Normal**	209	–	–	–	209
Due from subsidiaries					
– Not yet past due	33,469	–	–	–	33,469
Cash and cash equivalents					
– Not yet past due	71,264	–	–	–	71,264
Total	104,942	–	–	6,312	111,254

* For trade and bills receivables to which the Company applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** 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. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group regularly monitors its risk to a shortage of funds and considers the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

APPENDIX I

ACCOUNTANT’S REPORT

The maturity profile of the Group’s financial liabilities at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

The Group

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
December 31, 2024				
Trade payables	8,738	–	–	8,738
Financial liabilities included in other payables and accruals	7,360	–	–	7,360
Interest-bearing bank borrowings	8,561	–	–	8,561
Lease liabilities	572	534	–	1,106
Total	25,231	534	–	25,765
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
December 31, 2025				
Trade payables	18,330	–	–	18,330
Financial liabilities included in other payables and accruals	5,860	–	–	5,860
Lease liabilities	699	453	–	1,152
Total	24,889	453	–	25,342

The Company

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
December 31, 2024				
Trade payables	1,828	–	–	1,828
Financial liabilities included in other payables and accruals	4,610	–	–	4,610
Due to a subsidiary	16,121	–	–	16,121
Interest-bearing bank and other borrowings	8,561	–	–	8,561
Lease liabilities	194	194	–	388
Total	31,314	194	–	31,508
	On demand or less than 1 year	1 to 5 years	Over 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
December 31, 2025				
Trade payables	832	–	–	832
Financial liabilities included in other payables and accruals	2,783	–	–	2,783
Due to a subsidiary	46,276	–	–	46,276
Lease liabilities	194	–	–	194
Total	50,085	–	–	50,085

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.

APPENDIX I

ACCOUNTANT’S REPORT

The Group regards total equity as capital and 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 years ended December 31, 2024 and 2025.

The Group monitors capital using a gearing ratio, which is determined based of the Group’s total liabilities divided by its total equity. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	Year ended December 31,	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	35,270	39,369
Total equity	165,703	164,046
Gearing ratio	21.29%	24.00%

39. EVENT AFTER THE RELEVANT PERIODS

As at the date of this report, no significant events have occurred in respect of any period subsequent to December 31, 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this document received from Asia-Pacific Consulting and Appraisal Limited, an independent property valuer, in connection with its valuation as at May 31, 2026 of the selected property interests of the Group.



Asia-Pacific Consulting and Appraisal Limited

Flat/Rm A, 12/F
Kiu Fu Commercial Building
300 Lockhart Road
Wan Chai
Hong Kong

[•] 2026

The Board of Directors

Shenzhen Pu Ying Innovation Technology Co., Ltd.

Room C309, 2211, Building 1,
Xincheng Plaza,
No. 127 Baomin 2nd Road,
Hedong Community,
Xixiang Subdistrict,
Bao'an District,
Shenzhen City,
The PRC

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions to value the selected property interests held by Shenzhen Pu Ying Innovation Technology Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at May 31, 2026 (the “**Valuation Date**”).

The selected property interests form part of the Group’s non-property activities that has a carrying amount of 15% or more of the Group’s total assets and therefore the valuation report of this property interests is required to be included in this document.

BASIS OF VALUATION

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion”.

APPENDIX III

PROPERTY VALUATION REPORT

METHODS OF VALUATION

Due to the nature of the buildings and structures of the properties and the particular location in which they are situated, there are unlikely to be relevant market comparable sales readily available, the buildings and structures of the properties have been valued by the cost approach with reference to their depreciated replacement costs.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

VALUATION STANDARDS

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards issued by the International Valuation Standards Council.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

APPENDIX III

PROPERTY VALUATION REPORT

DOCUMENT AND TITLE INVESTIGATION

We have been shown copies of various title documents including Real Estate Title Certificates and other official permits relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company’s PRC legal adviser – Tian Yuan Law Firm, concerning the validity of the property interests in the PRC.

AREA MEASUREMENT AND INSPECTION

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out in March 2026 by Ms. Genma Liang who is a member of Certified Public Valuer and has 2 years’ experience in property valuation in the PRC.

CURRENCY

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below for your attention.

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

David G. D. Cheng
MRICS
Partner

Note: David G. D. Cheng is a Chartered Surveyor who has over 20 years’ experience in the valuation of assets in the Greater China Region, the Asia-Pacific region, the United States and Canada

APPENDIX III

PROPERTY VALUATION REPORT

VALUATION CERTIFICATE

Property interests held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date RMB
A parcel of land and 3 buildings located in No. 689, Gongye Avenue, Jing'an Town, Doumen District, Zhuhai City, Guangdong Province, The PRC	The property comprises a parcel of land with a site area of approximately 16,665.00 sq.m. and 3 buildings erected thereon which were completed between 2008 and 2023. The 3 buildings have a total gross floor area of approximately 10,291.50 sq.m., include 2 workshops and a dormitory. The land use rights of the property have been granted to the Group for a term expiring on August 16, 2050 for industrial use.	The property is currently occupied by the Group for production and ancillary purposes.	45,752,000

Notes:

1. Zhuhai Puying Innovation Technology Co., Ltd. (“**Zhuhai Puying**”) is a wholly-owned subsidiary of the Company.
2. Pursuant to 3 Real Estate Title Certificates – Yue (2019) Zhuhai Shi Bu Dong Chan Quan Di No. 0014141, No. 0014142 and Yue (2023) Zhuhai Shi Bu Dong Chan Quan Di No. 0265739, the land use rights of a parcel of land with a site area of approximately 16,665.00 sq.m. have been granted to Zhuhai Puying for a term expiring on August 16, 2050 for industrial use, and 3 buildings with a total gross floor area of approximately 10,291.50 sq.m. are owned by Zhuhai Puying.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
 - a. The Group holds the ownership of the real estate described in Note 2 in the PRC.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

OVERVIEW

This Appendix contains the summary of the principal provisions of the Articles of Association. The Articles of Association of the Company shall take effect on the date of the H Shares being [REDACTED] on the Stock Exchange.

SHARES

All the shares [REDACTED] by the Company are ordinary shares.

Shares [REDACTED] by the Company are denominated in RMB with a par value of RMB1 per share.

Shares shall be [REDACTED] by the Company under the principles of transparency, fairness and equitableness, and each share of the same class shall have the same rights.

For the same type of shares [REDACTED] in one offering, the issue criteria and price for each share shall be identical; the [REDACTED] shall pay the same price for each share [REDACTED].

Increase, Reduction and Repurchase of Shares

Increase of Capital

The Company may, upon resolution by a general meeting, adopt the following methods to increase its capital based on its business and development needs and pursuant to the provisions of laws and regulations:

- (1) issuance of shares to unspecified objects;
- (2) issuance of shares to specified objects;
- (3) distribution of bonus shares to existing shareholders;
- (4) [REDACTED] of capital reserve to share capital; and
- (5) any other methods stipulated by laws, administrative regulations, the GEM Listing Rules, securities regulatory rules of the place where the Company's shares are [REDACTED], and the CSRC.

Reduction of Capital

The Company may reduce its registered capital. The Company may reduce its registered capital in accordance with the procedures prescribed in the Company Law, regulations, the GEM Listing Rules, securities regulatory rules of the place where the Company's shares are [REDACTED], and other relevant provisions, the Article of Association.

Repurchase of Shares

The Company shall not acquire its own shares, except under any of the following circumstances, provided that such acquisition does not violate laws, regulations, the GEM Listing Rules, the securities regulatory rules of the place where the Company's shares are [REDACTED], or the provisions of these Articles of Association:

- (1) reduction of registered capital;
- (2) merger with another company which holds its shares;

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (3) use of shares for employee stock ownership plan or equity incentives;
- (4) a shareholder’s objection to the resolution on the Company’s merger or division passed by the general meeting, requesting the Company to acquire its shares;
- (5) use of shares for [REDACTED] of corporate bonds issued by the Company that can be [REDACTED] into shares; or
- (6) necessity for the purpose of maintaining the value of the Company and shareholders’ equity.

Transfer of Shares

Shares of the Company shall be transferred pursuant to the law.

The Company shall not accept its shares as subject matter of pledge.

SHAREHOLDERS AND GENERAL MEETING

The Company shall establish a register of shareholders based on the voucher provided by the securities registration and clearing organisation. The register of shareholders is adequate evidence of shareholding by shareholders. A shareholder shall enjoy the rights and bear the obligations by the type of shares held; shareholders who hold the same type of shares shall enjoy the same rights and bear the same type of obligations.

Where the Company needs to confirm the identity of shareholders for convening of a general meeting, distribution of dividends, liquidation etc., the board of directors (“**Board**”) or the convener of the general meeting shall determine the date of record, and shareholders registered in the register after market closing on the date of record shall be shareholders entitled to the relevant rights and interests.

Shareholders of the Company shall enjoy the following rights:

- (1) being entitled to dividends and any other form of distribution of benefits based on the number of shares held by them;
- (2) requesting to hold, convene, preside over, attend or appoint a proxy to attend a general meeting pursuant to the law, speaking at the general meeting and exercising the corresponding voting rights (except where voting rights are required to be waived on certain matters pursuant to the securities regulatory rules of the place where the Company’s shares are [REDACTED]);
- (3) supervising the Company’s business operations, proposing recommendations or raising queries;
- (4) transferring, donating or pledging shares held by them pursuant to the provisions of laws, administrative regulations and the Articles of Association;
- (5) inspecting and making copies of the Company’s articles of association, register of shareholders, minutes of general meetings, resolutions of board meetings and financial accounting reports; qualified shareholders may inspect the Company’s accounting books and accounting vouchers;
- (6) participating in the distribution of residual property based on their shareholding upon termination or liquidation of the Company;
- (7) requesting by a shareholder who objects to the resolution on merger or division passed by the general meeting that the Company acquire his/her shares; and

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (8) any other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The Hong Kong branch of the register of shareholders must be available for inspection by shareholders, but the Company may suspend the shareholders registration in accordance with the terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Company shareholders undertake the following obligations:

- (1) complying with the laws, administrative regulations and the Articles of Association;
- (2) making payment according to the shares subscribed for and the method of shareholding;
- (3) they may not withdraw their share capital except as prescribed by the law or regulations;
- (4) they may not abuse their shareholder's rights to damage the Company or other shareholders' interests; may not abuse the independent legal person status of the Company and the limited liability of the shareholders to damage the interests of creditors; and
- (5) other obligations required by the laws, administrative regulations and the Articles of Association.

General Rules for the General Meeting

The general meeting of the Company is composed of all shareholders. The general meeting is the Company's governing body and exercises the following powers pursuant to the law:

- (1) electing and replacing directors, and deciding the remuneration matters of the directors;
- (2) deliberating and approving the reports of the Board;
- (3) deliberating and approving the profit distribution plan and loss compensation plan of the Company;
- (4) making resolutions on increasing or decreasing the registered capital of the Company;
- (5) making resolutions on the issuing of company bonds;
- (6) making resolutions on merger, division, dissolution, liquidation or changing the form of the Company;
- (7) amending the Articles of Association;
- (8) making resolutions on engagement and dismissal of the accountant firm that undertakes the auditing of the Company;
- (9) deliberating and approving the guarantee matters which, under these Articles of Association, are subject to the review and approval of the general meeting;
- (10) deliberating on purchases and sales of significant assets within a year with the amount exceeding 30% of total assets which is audited most recently;
- (11) deliberating and approving changes in usage of raised funds;
- (12) deliberating on equity incentive plans and employee stock ownership plans; and

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

- (13) deliberating on other matters which shall be decided by the general meeting as required by the laws, administrative regulations, departmental rules or the Articles of Association.

The general meeting may authorise the Board to decide on the issuance of company bonds.

Proposals and Notices of General Meetings

The contents of proposals shall fall within the scope of duties and powers of the general meeting, contain clear topics and specific items to be resolved and comply with the laws, administrative regulations, and the Articles of Association.

When the Company holds a general meeting, the Board, the audit committee and the shareholders individually or jointly holding 1% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit an interim proposal in writing to the convener 10 days before a general meeting. The interim proposals should include clear topics and detailed resolutions. The convener shall issue a supplementary notice of general meeting within two days of receipt of such a proposal, publicly announce the contents of the interim proposal and submit the interim proposal to the general meeting for deliberation, except where interim proposals contravene the provisions of laws, administrative regulations, or the Articles of Association, except for which do not fall within the scope of duties and powers of the general meeting.

For convening a general meeting, a notice of the date, time, place and matters to be considered at the meeting shall be given to each shareholder at least twenty-one (21) days prior to the annual general meeting; for an extraordinary general meeting, notice shall be given at least fifteen (15) days prior to the meeting.

Notice of the general meeting shall be given by public announcement. In calculating the notice period, the date of the meeting shall not be counted.

A notice of a general meeting includes the following contents:

- (1) the time, venue, and date of the meeting;
- (2) the matters and proposals to be submitted to the meeting for deliberation, the notice and any supplementary notice of the general meeting shall fully and completely disclose all the specific details of all proposals;
- (3) a conspicuous written statement as follows: all common shareholders have the right to attend the general meeting and may authorise a proxy in writing, who needs not necessarily be a shareholder, to attend and vote at the meeting;
- (4) the date of record of shareholders entitled to attend the general meeting. The interval between the date of record and the date of meeting shall be not more than seven working days. Once determined, the date of record shall not be changed;
- (5) the name and telephone number of the permanent contact person of the meeting; and
- (6) the voting time and procedures online or by any other method.

Voting and Resolutions of General Meeting

Resolutions at general meetings consist of ordinary resolutions and special resolutions.

APPENDIX IV

SUMMARY OF ARTICLES OF ASSOCIATION

If a general meeting makes an ordinary resolution, it shall be passed by more than half of the voting rights held by shareholders (including proxies) attending the meeting.

If a general meeting makes a special resolution, it shall be passed by two-thirds or more of the voting rights held by shareholders (including proxies) attending the meeting.

Where any shareholder shall abstain from voting or be restricted to only vote in favour of or only vote against any individual resolution by applicable laws, regulations and the listing rules of the stock exchange on which the Company's shares are [REDACTED], the shareholders' (or their proxies') votes in violation of such requirements or restrictions shall not be counted within the voting results.

The following matters are adopted by ordinary resolutions at a general meeting:

- (1) work report of the Board;
- (2) profit distribution plans and loss compensation plans proposed by the Board;
- (3) appointment, removal, remunerations and method of payment of members of the Board; and
- (4) matters other than those which shall be adopted by special resolutions as specified by the laws, administrative regulations or the Articles of Association.

The following matters are adopted by special resolutions at a general meeting:

- (1) the increase or decrease of registered capital of the Company;
- (2) division, split, merger, dissolution or liquidation of the Company;
- (3) amendment of the Articles of Association;
- (4) the purchase or sales of essential asset within one year or provision of guarantees to others by the Company whose amount exceeds 30% of the total assets which is audited most recently;
- (5) share incentive plans; and
- (6) other matters requiring a special resolution under laws, administrative regulations, listing rules of the stock exchange where the Company's shares are [REDACTED], or these Articles of Association, or as determined by an ordinary resolution of the general meeting to have a significant impact on the Company.

At any time when the shares of the Company comprise shares of different classes, a special resolution of the Company's shareholders of the class to which the rights are attached shall be required to approve a change to those rights.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting of shareholders. Subject to compliance with the relevant provisions of laws and administrative regulations, the general meeting of shareholders may remove any director whose tenure has not expired by ordinary resolutions. The term of office of a director shall be three years, and he/she may serve consecutive terms if re-elected upon the expiration of his/her term of office. The term of office of independent directors shall be the same as that of other directors of the Company. Upon expiration of the term, independent directors may be re-elected, but the consecutive term of office shall not exceed six years.

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SUMMARY OF ARTICLES OF ASSOCIATION

A director's term of office commences on the date of appointment and continues until the expiry of the current term of office of the Board. If a director's term of office expires but a new director not yet appointed, the original director shall continue to perform their director's duties according to the laws, administrative regulations, departmental rules and the Articles of Association.

The manager or other senior management executives may serve as directors concurrently, provided that the aggregate number of directors concurrently serving as general manager or other senior executives, together with directors who are employee representatives may not exceed 50% of the total number of directors of the Company.

The director shall comply with the laws, administrative regulations and the Articles of Association, undertaking the following duties of loyalty to the Company:

- (1) he/she may not embezzle company property or misappropriate company funds;
- (2) he/she may not deposit the Company's funds in accounts opened in their own names or the names of other individuals;
- (3) he/she may not take advantage of position to offer bribery or receive other illegal income;
- (4) he/she may not, directly or indirectly, enter into contracts or trade with the Company without reporting to the Board or general meeting and being approved by the Board or general meeting in accordance with the Articles of Association;
- (5) he/she may not take advantage of position to seek business opportunities belonging to the Company for himself/herself or other people, except if reporting to the Board or general meeting and being approved by resolution at the general meeting, or if, according to the laws, administrative regulations or the Articles of Association, the Company cannot use such opportunity;
- (6) he/she may not engage in the same type of business as that of the Company for himself/herself or other persons without reporting to the Board or general meeting, and after being approved by resolution at the general meeting;
- (7) he/she may not accept commissions on transactions between other persons and the Company as his/her own;
- (8) he/she may not unilaterally disclose Company secrets;
- (9) he/she may not make use of related-party relationship to damage the interests of the Company; and
- (10) other duties of loyalty specified by the laws, administrative regulations, departmental rules and the GEM Listing Rules, securities regulatory rules of the place where the Company's shares are [REDACTED], or other applicable requirements.

Any income obtained by a director in violation of this Article shall belong to the Company; if losses are caused to the Company, he/she shall bear liability for compensation.

The director shall comply with the laws, administrative regulations, and the Articles of Association, with a duty of diligence towards the Company. When performing duties, he/she shall exercise reasonable care that a prudent manager would ordinarily exercise for the best interests of the Company. The director has the following duties of diligence towards the Company:

- (1) he/she shall be careful, serious and diligent in exercising his/her rights conferred by the Company, in order to ensure that the business activities of the Company comply with the laws, administrative regulations and various economic policies of the State; and that the business activities do not exceed the scope of business specified by the business license;

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- (2) he/she shall treat all shareholders fairly;
- (3) he/she shall understand the operation and management of the Company business in a timely manner;
- (4) he/she shall sign confirmation opinions on the periodic reports of the Company to ensure that the information disclosed by the Company is true, accurate, and complete;
- (5) he/she shall truthfully supply relevant information to the audit committee, and not hinder the audit committee from exercising its duties; and
- (6) other diligence duties specified by the laws, administrative regulations, rules, the GEM Listing Rules, securities regulatory rules of the place where the Company's shares are [REDACTED], and other applicable provisions.

Board of Directors

The Company shall set up Board of Directors, which is accountable to the general meetings.

The Board shall consist of nine directors, including one chairman.

The Board exercises the following functions and powers:

- (1) convening the general meeting and reporting its work to the general meeting;
- (2) executing resolutions of the general meeting;
- (3) deciding the operational plans and investment plans of the Company;
- (4) preparing the profit distribution plans and loss compensation plans of the Company;
- (5) preparing plans for the Company to increase or decrease its registered capital, issue bonds or other securities as well as the [REDACTED] of the Company;
- (6) drafting plans for the Company with respect to significant acquisitions, purchase of shares, mergers, divisions, dissolution or change of the form of the Company;
- (7) deciding the Company's outbound investments, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related-party transactions, external donations and other matters within the scope authorised by the general meeting;
- (8) deciding to establish the internal management organisations of the Company;
- (9) deciding on the appointment or dismissal of Company managers, secretaries to the Board, and other senior executives, as well as deciding on their remuneration, reward and disciplinary matters; deciding on the appointment or dismissal of senior executives such as deputy managers, financial controllers, and deciding on their remuneration, reward and disciplinary matters based on the managers' nominations;
- (10) preparing the basic management system of the Company;
- (11) preparing proposal for the amendment of the Article of Association;
- (12) managing the disclosure of information by the Company;

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- (13) requesting the general meeting to engage or replace the accounting firm that provides audit services to the Company;
- (14) listening to the general manager's work report and inspecting the general manager's work; and
- (15) other powers conferred by laws, administrative regulations, departmental rules, or these Articles of Association.

The Board of the Company shall establish an audit committee to exercise the official powers of the board of supervisors stipulated by the Company Law, and establish the Nomination Committee, the Remuneration and Appraisal Committee, and other relevant special committees.

The Board meeting shall be held only after more than half of the directors are present at the meeting. Board resolutions shall be passed by more than half of all the directors.

When voting for board resolutions, a director shall have one vote.

Where a director is related to an enterprise or individual involved in a board resolution, the director shall promptly submit a written report to the Board. A related director shall not vote for the said resolution and shall not represent another director in exercise of voting rights. The board meeting may be held with more than half of unrelated directors present, and resolutions passed by the board meeting shall require more than half of the votes of unrelated directors. Where the number of unrelated directors present at the Board meeting is less than three, the said matter shall be tabled at a general meeting for deliberation.

GENERAL MANAGER AND OTHER MEMBERS OF THE SENIOR MANAGEMENT

The Company shall have a general manager to be appointed or dismissed by the Board.

The Company shall have deputy managers who are appointed or dismissed by the Board.

The general manager, deputy general manager, financial officer and secretary to the Board are senior management members of the Company.

The general manager is responsible to the Board and exercises the following powers:

- (1) presiding over the production and operation of the Company, implementing resolutions of the Board and reporting his/her work to the Board;
- (2) implementing the annual operation plan and investment plan of the Company;
- (3) drafting plans for establishment of the internal management organisation of the Company;
- (4) drafting the basic management system of the Company;
- (5) laying down the specific rules and regulations of the Company;
- (6) requesting the Board to appoint or dismiss deputy managers and Chief Financial Officer;
- (7) deciding to appoint or dismiss management personnel other than those who shall be appointed or dismissed by the Board;
- (8) To formulate the salary, welfare, and reward and punishment systems for the company's employees, and to decide on the recruitment and dismissal of employees;

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- (9) With the authorisation of the board of directors, to represent the company in handling matters relating to external investments and in signing economic contracts, including those involving investment, cooperative operations, joint ventures, loans, etc.”; and
- (10) other powers authorised by the Articles of Association or the Board.

The manager shall attend Board meetings.

The Company shall have one chief financial officer who shall be appointed or dismissed by the Board upon recommendation by the general manager.

The chief financial officer is in charge of the Company’s financial affairs and manages and monitors the Company’s financial activities.

The chief financial officer shall abide by the laws, administrative regulations, departmental rules, the GEM Listing Rules, the securities regulatory rules of the place where the company’s shares are listed, and these Articles of Association, as well as other applicable provisions.

The Company shall have one secretary to the Board who shall be appointed or dismissed by the Board.

The secretary to the Board of Directors is responsible for the preparation of general meetings and meetings of Board of directors, keeping of documents, management of shareholders’ information, and disclosure of information.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting System

The Company lays down a financial and accounting system according to the laws, administrative regulations and provisions of relevant government departments.

Apart from the legally prescribed accounting books, the Company shall not establish another accounting book. The Company’s funds will not be deposited under any personal accounts.

Profit Distribution

When the Company distributes its after-tax profits of the current year, it shall allocate 10% of the profits into the legal reserve fund. If the Company’s legal reserve fund exceeds 50% of the registered capital, it shall not be required to make any further appropriation to legal reserve fund.

If the legal reserve fund of the Company is insufficient to compensate for the losses suffered in the previous year, then before making the allocation mentioned in the last paragraph, profits of the current year shall first be used to cover the losses. After the Company appropriates the legal reserve fund from the after-tax profits, if resolved by the general meeting, it may also appropriate an optional reserve fund from the after-tax profits. After the Company makes up losses and appropriates reserve funds, the balance of after-tax profits shall be distributed according to the proportion of shares held by shareholders.

If the general meeting violates the Company Law by distributing profits to shareholders, the shareholders shall return the distributed profits to the Company. If losses are caused to the Company, the shareholders and the responsible directors and senior executives shall be liable for compensation. Shares of the Company held by the Company do not participate in profit distribution.

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The Company shall appoint one or more collection agents in Hong Kong SAR for H share shareholders. The collection agents shall collect or keep the dividends distributed by the Company on H shares and other amounts payable on behalf of the relevant H share shareholders pending payment to such H share shareholders. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company’s shares are [REDACTED].

The Company may distribute profits in the form of cash, shares or a combination of cash and shares.

Internal Auditing

The Company shall implement an internal audit system, specifying leadership system, duties and limit of authority, staffing, budget assurance, application of audit findings and accountability etc. for internal audit work.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Merger and Division of the Company

The Company may be merged by absorption or by consolidation.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The company shall, within ten days from the date of the resolution on the merger, notify its creditors, and shall, within thirty days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the newspapers publicly or on the National Enterprise Credit Information Publicity System.

Dissolution and Liquidation of the Company

The Company may be dissolved due to the following reasons:

- (1) expiry of the business term as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (2) dissolution by a resolution of the general meeting;
- (3) dissolution due to merger or division;
- (4) revocation of the business license, or being ordered to be closed down or revoked according to the law; or
- (5) where the Company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of its shareholders, which is unable to be resolved through any other means, a shareholder who holds 10% or more of the voting rights of the Company may apply to a people’s court for dissolution of the Company.

Upon occurrence of an event which triggers dissolution as stipulated in the preceding paragraph, an announcement shall be made through the National Enterprise Credit Information Publicity System within 10 days.

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STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was established as a limited liability company under the laws of the PRC on June 18, 2012, and was converted into a joint stock company with limited liability on January 12, 2016. Our head office and principal place of business in the PRC is at Unit C309, 2211, Building 1, New Town Plaza, No. 127, Baomin 2nd Road, Hedong Community, Xixiang Sub-district, Bao'an District, Shenzhen, Guangdong Province, PRC.

We established a place of business in Hong Kong at [Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong] and were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•] 2026. Mr. So Wing Chun (蘇永俊), a joint company secretary of our Company, has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong, whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” to this Document, respectively.

B. Changes in Share Capital of Our Company

On June 18, 2012, our Company was established as a limited liability company with a registered capital of RMB3,000,000.

On October 26, 2015, our registered capital was increased to RMB32,000,000.

On January 12, 2016, our Company was converted into a joint stock company with limited liability. Upon completion of such conversion, the share capital of our Company was RMB32,000,000 divided into 32,000,000 Shares of nominal value of RMB1 each.

On July 19, 2016, our share capital was increased to RMB42,000,000 of nominal value of RMB1 each.

On July 5, 2017, our share capital was increased to RMB83,000,000 of nominal value of RMB1 each.

On November 4, 2020, our share capital was decreased to RMB78,500,000 of nominal value of RMB1 each.

There has been no alteration in the share capital of our Company within two years immediately preceding the date of this Document.

C. Changes in Share Capital of Our Subsidiary

Certain details of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this Document. Save for the subsidiaries mentioned in Appendix I to this document, our Company has no other subsidiaries.

On July 26, 2018, Zhuhai Puying was established in Guangdong Province, the PRC with the registered capital of RMB100 million. As of the Latest Practicable Date, there has been no alteration in the share capital of Zhuhai Puying.

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On May 25, 2016, Olicom International S.r.l. was incorporated under the laws of Italy. Since its incorporation, the corporate capital of Olicom International SRL has remained unchanged at EUR 100,000.00, fully paid up.

On April 5, 2016, Pu Ying Olicom was established under the laws of Hong Kong. The entire issued share capital of the Pu Ying Olicom is HKD\$450,000.00 divided into 450,000 ordinary shares, and there has been no alteration in the share capital of Pu Ying Olicom within the two years immediately preceding the date of this document.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

D. Restriction of share repurchase

Please refer to “Appendix IV – Summary of Articles of Association” in this document for details of the restrictions on the share repurchase by our Company.

E. Resolutions Passed by Our Shareholders

At our Shareholder’s meeting held on June 3, 2026, among other things, the following resolutions were passed by our Shareholders:

- (a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H shares to be [REDACTED] representing approximately [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and granting the [REDACTED] the [REDACTED] of no more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the completion of filing with CSRC, upon completion of the [REDACTED], 78,500,000 Unlisted Shares will be [REDACTED] into H Shares on a one-for-one basis;
- (d) authorisation of the Board or its authorised individual to handle all matters relating to, among other things, the [REDACTED], the issue and the [REDACTED] of H Shares on the Hong Kong Stock Exchange;
- (e) the Articles of Association have been approved and adopted, with effect from [•].

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company within the two years immediately preceding the date of this document and are or may be material:

- (i) the [REDACTED].

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B. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, our Company has registered the following trademarks which we consider to be material to our business:

No.	Trademark	Registered Owner	Class	Registration Number	Place of registration	Expiry Date
1		Our Company	9	40613153	PRC	October 6, 2030
2		Our Company	9	15270101	PRC	October 13, 2035
3		Our Company	9	15159733	PRC	September 27, 2035
4		Our Company	9	11150744	PRC	November 20, 2033
5		Our Company	9	11150686	PRC	February 27, 2034
6		Our Company	9	8449348	PRC	July 13, 2031
7		Our Company	9	7019227	United States	April 4, 2033

(b) Software copyright

As of the Latest Practicable Date, our Company has registered the following copyrights which we consider to be or may be material to our business:

No.	Name	Copyright owner	Registration number	First publication date	Registration Date	Place of registration
1	Benmi Notes Software (本米筆記軟件)	Our Company	2023SR1310846	June 02, 2023	October 26, 2023	PRC
2	Pu Ying Printer Wireless Printing iOS Software (普赢打印机无线打印IOS版軟件)	Our Company	2019SR0285977	October 26, 2018	March 28, 2019	PRC
3	Pu Ying High-Speed Passbook Printer Development Software (普赢高速存摺打印机開發軟件)	Our Company	2019SR0288003	September 26, 2018	March 28, 2019	PRC
4	Pu Ying Printer Paper Precision Positioning Control System (普赢打印机纸张精準定位控制系统)	Our Company	2019SR0285976	September 15, 2018	March 28, 2019	PRC

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No.	Name	Copyright owner	Registration number	First publication date	Registration Date	Place of registration
5	Pu Ying Printer port automatic matching driver control system (普贏打印機端口自動匹配驅動程序控制系統)	Our Company	2019SR0287019	November 09, 2018	March 28, 2019	PRC
6	Pu Ying Dot Matrix Printer Quick Setup Software (普贏針式打印機快速設置軟件)	Our Company	2019SR0289347	July 16, 2018	March 28, 2019	PRC
7	Pu Ying Dot Matrix Printer Multi-Page High-Efficiency Printing Control System (普贏針式打印機多聯紙高效打印控制系統)	Our Company	2019SR0287026	August 30, 2018	March 28, 2019	PRC
8	Pu Ying Printer online data transmission system (普贏打印機聯機數據傳輸系統)	Our Company	2019SR0286848	November 22, 2018	March 28, 2019	PRC
9	Pu Ying Printer Ribbon Operation Monitoring System (普贏打印機色帶運行監控系統)	Our Company	2019SR0285758	October 12, 2018	March 27, 2019	PRC
10	Pu Ying Bank Counter Intelligent Printing Equipment Production Process System (普贏銀行櫃面智能打印設備生產工藝系統)	Our Company	2019SR0283016	August 08, 2018	March 27, 2019	PRC
11	Pu Ying Printer Android cloud printing client software (普贏打印機Android雲端打印客戶端軟件)	Our Company	2019SR0284150	December 06, 2018	March 27, 2019	PRC
12	MB2 Multifunction Printer Digital Operation System (MB2多功能打印機數字化運作系統)	Our Company	2017SR282736	February 21, 2017	June 19, 2017	PRC
13	PR9 Advanced Printer Operation Control System (PR9高級打印機操作控制系統)	Our Company	2017SR282923	February 21, 2017	June 19, 2017	PRC
14	PR2 PLUS printer automatic printing monitoring system (PR2 PLUS 打印機自動打印監控系統)	Our Company	2017SR282925	March 20, 2017	June 19, 2017	PRC

(c) Patents

As of the Latest Practicable Date, our Company has registered the following patents which we consider to be or may be material to our business:

No.	Title of patent	Patent applicant	Registration number	Date of application	Place of registration
1	Print head (打印頭)	Our Company	ZL201110102883.3	April 22, 2011	PRC
2	Indicator (指標器)	Our Company	ZL201711293886.3	December 08, 2017	PRC
3	Multi-functional stamp dot print head (一體多用式的印章針式打印頭)	Our Company	ZL201810134514.4	February 09, 2018	PRC
4	Pressure sensing position indicator (壓力感測位置指示裝置)	Our Company	ZL201810890625.8	August 07, 2018	PRC
5	Side-pressure position indicator (側壓式位置指示裝置)	Our Company	ZL201810889867.5	August 07, 2018	PRC
6	Ink-type position indicator (墨水型位置指示裝置)	Our Company	ZL201810890623.9	August 07, 2018	PRC
7	Automatic pencil-type position indicator (自動鉛筆型位置指示裝置)	Our Company	ZL201810890247.3	August 07, 2018	PRC

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No.	Title of patent	Patent applicant	Registration number	Date of application	Place of registration
8	Electromagnetic induction coordinate positioning device (電磁感應式座標定位裝置)	Our Company	ZL202010151265.7	March 06, 2020	PRC
9	Electromagnetic induction coordinate positioning device (電磁感應式座標定位裝置)	Our Company	ZL202010151712.9	March 06, 2020	PRC
10	Electromagnetic induction coordinate positioning device (電磁感應式座標定位裝置)	Our Company	ZL202010151244.5	March 06, 2020	PRC
11	Electromagnetic induction coordinate positioning device (電磁感應式座標定位裝置)	Our Company	ZL202010208662.3	March 23, 2020	PRC
12	Indicator Components (指標元件)	Our Company	ZL202010366081.2	April 30, 2020	PRC
13	A printing device with an automatic dispensing mechanism (一種具有自動發放裝置的打印設備)	Our Company	ZL202011181725.7	October 29, 2020	PRC
14	A printing device (一種打印設備)	Our Company	ZL202011181713.4	October 29, 2020	PRC
15	A printing device with an automatic recycling unit (一種具有自動回收裝置的打印設備)	Our Company	ZL202011185632.1	October 29, 2020	PRC
16	Multi-functional stamp dot print head (一體多用途的印章針式打印頭)	Our Company	ZL201820244673.5	February 09, 2018	PRC
17	A printing device with an automatic dispensing mechanism (一種具有自動發放裝置的打印設備)	Our Company	ZL202022456255.2	October 29, 2020	PRC
18	A printing device with an automatic recycling unit (一種具有自動回收裝置的打印設備)	Our Company	ZL202022458557.3	October 29, 2020	PRC
19	A printing device (一種打印設備)	Our Company	ZL202022462327.4	October 29, 2020	PRC
20	An injection mold for a dot matrix printer accessory (一種針式打印機用配件的注塑模具)	Our Company	ZL202122774718.4	November 13, 2011	PRC
21	An injection mold for producing printer cover plates (一種用於打印機蓋板生產的注塑模具)	Our Company	ZL202122774708.0	November 13, 2011	PRC
22	A surface treatment device for processing sheet metal parts for printers (一種打印機鍍金件加工用表面處理裝置)	Our Company	ZL202122804999.3	November 16, 2011	PRC
23	A composite stamping device for sheet metal parts for printers (一種打印機用鍍金件複合衝壓裝置)	Our Company	ZL202122805018.7	November 16, 2011	PRC
24	An edge cutting and smoothing device for printer ribbon production (一種打印機色帶生產用邊緣切割平整裝置)	Our Company	ZL202122902565.7	November 19, 2011	PRC
25	A winding device for producing printer ribbons (一種打印機用色帶生產的收卷裝置)	Our Company	ZL202122893280.1	November 19, 2011	PRC
26	A coloring device for ribbon production (一種色帶生產用塗色裝置)	Our Company	ZL202122902596.2	November 19, 2011	PRC
27	An extruder for producing printing consumables (一種打印耗材生產用擠出機)	Our Company	ZL202122916003.8	November 25, 2011	PRC
28	A drying device for printing consumables production (一種打印耗材生產用乾燥裝置)	Our Company	ZL202122916005.7	November 25, 2011	PRC
29	A ribbon box (一種色帶盒)	Our Company	ZL202322226950.3	August 17, 2023	PRC
30	A vertical magnetic stripe reader/writer and a dot matrix printer having the same (一種垂直磁條讀寫裝置及其針式打印機)	Our Company	ZL202322490075.X	September 13, 2023	PRC
31	Electromagnetic induction type coordinate positioning apparatus	Our Company	US17/111092	December 3, 2020	United States
32	Ink-type pointer	Our Company	US16/373012	April 2, 2019	United States
33	Pointer device	Our Company	US11249566B2	October 8, 2020	United States
34	Pressure sensing pointer	Our Company	US10613648B2	March 20, 2019	United States
35	Drucker Mit Verbesserter Pappe	Our Company	AT2012813382	December 28, 2012	Austria

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No.	Title of patent	Patent applicant	Registration number	Date of application	Place of registration
36	Multi-purpose printer	Our Company	EP2012816477	December 28, 2012	Europe
37	Document feeder for a printer and printer comprising said document feeder	Our Company	EP2014711248	March 19, 2014	Europe
38	Dispositivo y método para decodificar patrones magnéticos	Our Company	ES2758995T3	December 23, 2013	Spain
39	Electromagnetic induction type coordinate positioning apparatus	Our Company	US11144169B2	February 23, 2021	United States
40	Automatic pencil type pointer	Our Company	US16/373038	April 2, 2019	United States
41	Electromagnetic induction type coordinate positioning apparatus	Our Company	US11313661B2	December 3, 2020	United States
42	Printer with improved paper board	Our Company	EP2012813382	December 28, 2012	Europe
43	Device and method for decoding graphic patterns	Our Company	US15/101813	December 5, 2013	United States
44	Electromagnetic induction type coordinate positioning apparatus	Our Company	US11256343B2	December 9, 2020	United States
45	Lateral pressure sensing pointer	Our Company	US10635197	April 2, 2019	United States
46	Electromagnetic induction type coordinate positioning apparatus	Our Company	US11221721B2	December 3, 2020	United States
47	Pointer	Our Company	US10712838	May 16, 2018	United States
48	Automatic pencil type pointer	Our Company	US10691229	April 2, 2019	United States
49	Ink-type pointer	Our company	US10691229	April 2, 2019	United States

(d) Domain Name

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration date	Expiry date
1	www.olicom-group.com	Our Company	October 4, 2017	October 4, 2026

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of Interests of Directors

Save as disclosed below, immediately following completion of the [REDACTED] (without taking into account any H Shares which may be issued upon the exercise of the [REDACTED]), none of our Directors had any interests or short positions in the Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules.

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Name of shareholder	Position	Nature of interest	As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number and description of Shares	Approximate percentage of shareholding in the issued share capital of our Company ⁽⁸⁾	Number and description of Shares	Approximate percentage of shareholding in our Company in the total issued share capital of our Company ⁽⁹⁾
Mr. Zheng Xiaohui	Chairman, executive Director and general manager	Interest in controlled corporation ⁽¹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Interest in controlled corporation ⁽²⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhao Hui	Executive Director, deputy general manager and chief financial officer	Interest in controlled corporation ⁽¹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Interest in controlled corporation ⁽²⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Interest of spouse ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Gao Huanming	Non-executive Director	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		Interest of spouse ⁽⁴⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Peng	Non-executive Director	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) Shenzhen Yun’ao is owned as to 95.00% by Mr. Zheng Xiaohui and 5.00% by Ms. Zhao Hui. Mr. Zheng Xiaohui and Ms. Zhao Hui are therefore deemed to be interested in the 22,500,000 Shares held by Shenzhen Yun’ao under the SFO.
- (2) Shenzhen Yun’ao acts as the general partner of Shenzhen Yunzhong. Shenzhen Yun’ao is directly wholly owned by Mr. Zheng Xiaohui and Ms. Zhao Hui. Accordingly, Mr. Zheng Xiaohui and Ms. Zhao Hui are deemed to be interested in the 13,905,000 Shares held by Shenzhen Yunzhong pursuant to the SFO.
- (3) Ms. Zhao Hui is the spouse of Mr. Zheng Xiaohui, and therefore, Ms. Zhao Hui is deemed to be interested in the 1,230,000 Shares held by Mr. Zheng Xiaohui pursuant to the SFO.
- (4) Ms. Gao Huanming and Mr. Pan Jingshao are spouses. Accordingly, Ms. Gao Huanming is deemed to be interested in the 2,670,000 Shares held by Mr. Pan Jingshao pursuant to the SFO.
- (5) The calculation is based on the total number of 78,500,000 Shares in issue as at the Latest Practicable Date.
- (6) The calculation is based on the total number of [REDACTED] H Shares in issue immediately after the completion of the [REDACTED] (without taking into account the H Shares which may be issued upon the exercise of the [REDACTED]).

B. Remuneration of Our Directors

Save as disclosed in the section headed “Directors and Senior Management” and Note 8 to the Accountants’ Report, for the two years ended December 31, 2024 and 2025, none of our Directors received other remunerations or benefits in kind from us.

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C. Particulars of Directors’ service contracts

We have entered into a contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

D. Directors’ Competing Interests

None of our Directors are interested in any business apart from our Group’s business which competes or may compete, directly or indirectly, with the business of our Group.

E. Disclosure of Interests of Substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, our Directors are not aware of any person (other than our Director of our Company) who will, immediately following the [REDACTED] (without taking into account any H Shares which may be issued upon the exercise of the [REDACTED]), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

F. Disclaimers

- (a) save as disclosed in this document, none of our Directors or any of the parties listed in “Qualifications of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) Save as disclosed in this Appendix and in connection with the [REDACTED], none of the parties listed in “Qualifications of Experts” in this section:
 - (i) is interested legally or beneficially in any Shares in any member of our Group; or;
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) None of our Directors or their close associates or any Shareholders of our Company who, to the knowledge of our Directors, owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) Save as disclosed in “Substantial Shareholders,” none of our Directors or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

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STATUTORY AND GENERAL INFORMATION

4. EMPLOYEE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivise them to further promote our development, Shenzhen Yunzhong was established in the PRC as our Employee Shareholding Platforms. For further details of Shenzhen Yunzhong, see “History, Development and Corporate Structure – [REDACTED] Employee Incentive Scheme” in this document. We adopted and amended the Employee Incentive Scheme in December 2021, January 2025 and June 2026, respectively. Under the Employee Incentive Scheme, Eligible Participants (as defined below) are granted with partnership interest in Shenzhen Yunzhong (the “Awards”).

Save for the disclosure requirements, the Employee Incentive Scheme is not subject to the provisions of Chapter 23 of the GEM Listing Rules as it does not involve the grant of options or share awards by our Company to subscribe for the Shares after the [REDACTED]. Given the underlying Shares under the Employee Incentive Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the Awards under the Employee Incentive Scheme. As of the Latest Practicable Date, Shenzhen Yunzhong held 17.71% of the total share capital of our Company.

The following is a summary of the principal terms of the Employee Incentive Scheme:

A. Purpose

The purpose of the Employee Incentive Scheme is to (a) provide our Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants (as defined below) and (b) encourage Eligible Participants to contribute to the long-term growth, performance and profits of our Company and to enhance the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole.

B. Eligible Participants

Persons eligible to participate in the Employee Incentive Scheme are the employees of our Company (the “Eligible Participants”).

C. Term

Subject to any early termination as determined by our Board, the Employee Incentive Scheme shall be valid and effective for 10 years commencing on the adoption date of the scheme.

D. Scheme Administration

The Board of Directors has been authorised by the Company’s general meeting of shareholders to act as the administrator of the Employee Incentive Scheme and shall be responsible for, among others:

- (a) determining the list of grantees and the corresponding incentive interests and subscription price;
- (b) interpreting the equity incentive plan;
- (c) making corresponding adjustments to and terminate this Employee Incentive Scheme in light of relevant circumstances during the implementation of the Share Incentive Scheme; and
- (d) delegating the aforementioned matters to a special committee established by the Board or other designated personnel for decision-making.

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E. Rights and Restrictions as Attached to the Awards

- (a) The Awards are subject to a lock-up period of three years, which may be extended due to the requirements under the applicable laws, rules and regulations;
- (b) Unless approved by the general partner of the Employee Shareholding Platforms or its appointed representative, the partnership interests in the Employee Shareholding Platforms granted to the grantees shall be held by the grantees themselves. The grantees shall not sell, gift, pledge, assign, mortgage, or otherwise dispose of such interests.

F. Details of the Partnership Interests In Shenzhen Yunzhong

As of the Latest Practicable Date, (i) Shenzhen Yun’ao Investment Company Limited (深圳雲奧投資有限公司) was the sole general partner of Shenzhen Yunzhong, and (ii) Shenzhen Yunzhong held 17.71% of the total share capital of our Company. All partnership interests in Shenzhen Yunzhong have been fully subscribed and paid up. Shenzhen Yunzhong has completed the change in the business registration information. See “History, Development and Corporate Structure – [REDACTED] Employee Incentive Scheme” in this document for further details.

Details of the partnership interests in Shenzhen Yunzhong are set out below:

Name	Nature of the partner	Position	Capital Contribution to the Partnership (RMB’ million)	Approximate partnership interests in Shenzhen Yunzhong
Zhao Hui	Limited Partner	Executive Director, deputy general manager and chief financial officer	5.5	59.2%
Chen Rui	Limited Partner	Deputy general manager	1.0	10.7%
He Yanqiong	Limited Partner	General Manager of R&D and Senior Engineer	0.8	8.6%
Chen Deying	Limited Partner	Executive Director and deputy general manager	0.5	5.3%
Xu Bo	Limited Partner	Senior Engineer & Zhuhai Puying Factory Director	0.2	2.1%
Li Dan	Limited Partner	Senior Engineer	0.2	2.1%
Li Fan	Limited Partner	Senior Sales Manager	0.2	2.1%
Ni Zhibo	Limited Partner	Firmware Engineer	0.1	1.1%
Dong Xingxin	Limited Partner	Senior Engineer	0.1	1.1%
Li Hong	Limited Partner	Deputy Manager of International Business Department	0.1	1.1%
Lei Min	Limited Partner	Manager of International Business Department	0.1	1.1%
Liu Yuantao	Limited Partner	Certification Engineer	0.1	1.1%
Yuan Yang	Limited Partner	Senior Engineer	0.1	1.1%
Wang Zhaohui	Limited Partner	Engineer and Salesperson	0.1	1.1%
Xie Ying	Limited Partner	Senior Engineer	0.1	1.1%
Zhang Min	Limited Partner	Software Engineer	0.1	1.1%
Shenzhen Yun’ao	General Partner	N/A	0.01	0.1%
Total			9.3	100.0%

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5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance 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.

C. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [REDACTED] of the Stock Exchange for a [REDACTED] of, and permission to deal in, all the H Shares to be issued as mentioned in this Document. The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 6A.07 of the GEM Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of HK\$[REDACTED] to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

D. Compliance Adviser

Our Company has appointed Eddid Capital Limited as its Compliance Adviser upon [REDACTED] in compliance with Rule 6A.19 of the GEM Listing Rules.

E. Preliminary Expenses

Our Company did not incur material preliminary expense as of the Latest Practicable Date.

F. Promoters

The promoters of our Company comprised all of the eight then Shareholders as of January 12, 2016 before our conversion into a joint stock limited liability company.

No.	Name
1	Shenzhen Yun’ao Investment Company Limited (深圳雲奧投資有限公司)
2	Shenzhen Yunzhong Investment Co., Ltd. (深圳雲眾投資有限公司)
3	Gao Huanming (高煥明)
4	Zhang Peng (張鵬)
5	Sun Jiayi (孫佳宜)
6	Liu Zuyu (劉祖瑜)
7	Zhang Wei (張薇)
8	Zhou Qun (周群)

Save for the [REDACTED] and as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED] or the related transactions described in this Document.

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G. Consents and Qualifications of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this Document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

<u>Name of Expert</u>	<u>Qualifications</u>
Eddid Capital Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in Securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Tian Yuan Law Firm	Legal advisers to our Company as to PRC laws
Gianni & Origoni in association with Eviana Leung & Partners	Italy Legal Adviser in relation to our business operation in the Italy
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Asia-Pacific Consulting and Appraisal Limited	Property valuer
Patrick Mak & Tse	Hong Kong Legal Adviser in relation to our business operation in the Hong Kong
Ernst & Young (China) Advisory Limited	Transfer pricing adviser

H. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

I. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

J. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, trading position or prospects since December 31, 2025, being the date of our consolidated financial statements as set out in “Accountants’ Report” in Appendix I to this document up to the date of this document.

K. Taxation of holders of H Shares

[REDACTED] in H Shares registered on our Company’s [REDACTED] of members will be subject to Hong Kong stamp duty. 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, [REDACTED], [REDACTED] or [REDACTED] of or [REDACTED] in H Shares. It

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is emphasised that none of our Company, our Directors or the other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, [REDACTED], [REDACTED] or [REDACTED] of or [REDACTED] in H Shares. The [REDACTED], [REDACTED] and [REDACTED] of H Shares are subject to Hong Kong stamp duty, the current rate of which is 0.1% of the consideration or, if higher, the value of the H Shares being [REDACTED] or [REDACTED].

Profits from [REDACTED] in H Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

L. Miscellaneous

- (i) Save as disclosed in “History, Development and Corporate Structure” and “Share Capital”, within the two years preceding the date of this document:
 - a. no share or loan capital of our Company or any of its subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - b. 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 or loan capital of our Company or any of our subsidiaries;
 - c. no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (ii) No founder, management or deferred shares of our Company or any of its subsidiary have been issued or have been agreed to be issued;
- (iii) Our Company is not presently [REDACTED] on any stock exchange or [REDACTED] on any trading system;
- (iv) Our Company has no outstanding convertible debt securities or debentures;
- (v) 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 within the 12 months preceding the date of this document; and
- (vi) There is no arrangement under which future dividends are waived or agreed to be waived.

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix V – Statutory and General Information – 2. Further Information About Our Business – A. Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix V – Statutory and General Information – 5. Other Information – G. Consents and Qualifications of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.olicom-group.com during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the accountants’ report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for two years ended December 31, 2024 and 2025;
- (d) the report from Ernst & Young on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in “Industry Overview” in this document;
- (f) the PRC legal opinions issued by Tian Yuan Law Firm, our legal advisers as to PRC laws, in respect of, among other things, the general matters of our Group under the PRC laws;
- (g) the material contracts referred to in “Appendix V – Statutory and General Information – 2. Further Information About Our Business – A. Summary of Material Contracts”;
- (h) the service contracts and appointment letters referred to in “Appendix V – Statutory and General Information – 3. Further Information about Our Directors and Substantial Shareholders – C. Particulars of Directors’ Service Contracts”;
- (i) the written consents referred to in “Appendix V – Statutory and General Information – 5. Other Information – G. Consents and Qualifications of Experts”;
- (j) the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), together with their unofficial English translations;
- (k) the legal opinions from Gianni & Origoni in association with Eviana Leung & Partners, the legal adviser to the Company as to Italy laws in relation to the Company’s business operation in the Italy;

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

- (l) the legal opinions from Patrick Mak & Tse, the legal adviser to the Company as to Hong Kong laws in relation to the Company’s business operation in the Hong Kong;
- (m) the property valuation report prepared by Asia-Pacific Consulting and Appraisal Limited;
- (n) the transfer pricing analysis report prepared by Ernst & Young (China) Advisory Limited;
and
- (o) the terms of the Employee Incentive Scheme.