

FINANCIAL INFORMATION

You should read this section in conjunction with our consolidated financial information, including the notes thereto, as set out in the Accountant’s Report in Appendix I to this document. The consolidated financial information has been prepared in accordance with HKFRSs. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us 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, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include those discussed in “Risk Factors.” As such, in evaluating our business, you should carefully consider all of the information provided in this document.

OVERVIEW

We are an established IoT wireless communication and PCBA solutions provider in the PRC focusing on wireless modules, antennas and PCBA solutions. With over 20 years of experience in the IoT wireless communication industry, we provide comprehensive solutions spanning across consumer electronics, industrial electronics, energy electronics, and commercial electronics. Leveraging such industry expertise, we are well-positioned to drive R&D and the implementation of wireless communications technologies for various IoT application scenarios.

Our portfolio of wireless communication solutions includes:

- (a) wireless modules, primarily designed for converting digital data into radio signals and processing incoming radio waves back into data to enable cloud connectivity and data transmission in devices such as smart thermostats and smart locks. We also provide software development kits that include coding tools, hardware drivers, libraries and software templates to support product development and integration with our modules;
- (b) antennas, primarily designed for capturing incoming radio waves from the air and radiating outgoing signals into space to achieve signal enhancement and wireless communication stability in outdoor routers and asset trackers; and
- (c) printed circuit board assemblies hosting electronic components such as wireless modules and antennas, which is the fully functional unit in smart products such as carbon monoxide sensors, temperature-controlled pots and alarm clocks.

During the Track Record Period, we generated revenue primarily from the provision of (i) wireless communication solutions, comprising module solutions and antenna solutions; and (ii) PCBA solutions. Our revenue increased from RMB174.4 million in 2024 to RMB194.4 million in 2025 and increased from RMB85.0 million in the six months ended 30 June 2025 to RMB109.7 million in the six months ended 30 June 2026. We recorded a net loss of RMB0.1 million, RMB2.8 million, RMB4.8 million and RMB1.2 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

BASIS OF PRESENTATION

The financial information relating to our Group has been prepared in accordance with HKFRSs, which comprise all standards and interpretations approved by the Hong Kong Institute of Certified Public Accountants. All HKFRSs effective for the accounting period commencing

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from 1 January 2023 have been adopted by our Group in the preparation of the financial information contained in this document throughout the Track Record Period. All intra-group transactions and balances have been eliminated on consolidation. For more information on the basis of presentation and preparation of the financial information included herein, see Note 2 of Section I in the Accountants’ Report.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Supply Chain

We manufacture inhouse wireless modules and antennas and procure raw materials including chips and PCBs from suppliers. During the Track Record Period, our raw material costs amounted to RMB104.4 million, RMB120.1 million, RMB52.4 million and RMB66.7 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, accounted for 87.2%, 87.7%, 87.3% and 87.3% of cost of sales, respectively. The increase in procurement costs is primarily attributable to an increase in the prices of key raw materials including chips and PCB components. We implemented cost control measures to manage our raw material costs. However, we expect our raw material costs continue to remain a material portion of our cost of sales, and an increase in such costs and fees are likely to negatively affect our business, financial condition and results of operations.

For illustration the purpose, we set out below a sensitivity analysis of our profit or loss before taxation with reference to the fluctuation on the total cost of raw materials during the Track Record Period.

Hypothetical changes in the cost of raw materials	Year ended 31 December		Six months ended 30 June 2026
	2024	2025	
	<i>(RMB in thousands)</i>		
± 5%	5,219	6,004	3,334
± 10%	10,439	12,009	6,667

Furthermore, it is crucial for us to maintain business relationships with suppliers to secure a stable and timely supply of qualified chips and other raw materials. We (i) adopt supply chain management policies to continuously diversify our procurement channels; (ii) produce products according to sales orders; and (iii) pre-order raw materials to secure better prices. We believe our efficient supply chain management enables us to meet the production needs. However, while we were not subject to any material shortage of raw materials during the Track Record Period, there is no guarantee that we will not encounter any shortages in raw materials in the future. Any such shortages in the supply of chips and other raw materials may interrupt our product production and product offerings, and negatively affect our business, financial condition and results of operations. See “Risk Factors – We may be exposed to risks relating to fluctuations in raw material costs.”

Customers

Our business model is deeply rooted in the success of downstream customers, establishing a close collaboration where our long-term revenue growth is directly tied to their evolving product demands. During the Track Record Period, our customers consisted of (i) direct customers, including end-product brands and OEMs designated by those brands, and (ii) distributors. OEMs

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typically purchase our non-cellular wireless modules to integrate them into their own single-board systems or end-product designs for brand owners. In these cases, we often provide embedded software customisation, RF tuning, and technical integration support to address customers’ connectivity and RF-related engineering challenges.

As such, we maintain close relationship with a diverse portfolio of industry leaders, including developers and SMES across consumer electronics and commercial and industrial electronics sectors. This allows us to closely monitor market trend and provide solutions catering to the needs of customers. During the Track Record Period, our revenue continued to increase, driven by an increase in the demand for our comprehensive PCBA solutions. Moreover, by delivering solid wireless communications solutions, we empowered our customers to deliver products with innovative technologies across IoT consumer and industrial electronic markets, which include smart home automation, smart pet care, interactive entertainment systems and new energy power solutions. This market adoption and the resulting revenue growth in turn provided solid financial and operational foundation to further support our broader corporate and geographic business expansion.

R&D Capabilities

We offer a diversified portfolio of wireless communications solutions. To maintain our competitiveness in the wireless communications industry, we must continuously upgrade our products and solutions to integrate latest technologies and meet the demand of our customers, according to F&S. Our R&D expenses amounted to RMB16.8 million, RMB18.6 million, RMB9.2 million and RMB10.2 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, which primarily attributed to staff costs and benefits. During the Track Record Period, we had a team of researcher and engineering staff. As at 30 June 2026, we had 53 R&D staff, accounted for 18.0% of our total employees. Our R&D team members possess extensive industry experience and expertise in the industry, which enabled us to provide and upgrade products catering to the needs of customers. Going forward, we expect to attract more talents with deep expertise in wireless communications and further enhance our R&D capabilities.

Our R&D principally focused on (i) the continual improvement of mature product lines, including Wi-Fi, Bluetooth and LoRa modules, and (ii) the development of newer product lines, including radar modules for human presence detection, fall detection and cycling scenarios and modules capable of edge AI computations. The investment in R&D enabled us to seize new opportunities in the market and going forward, we expect to continue to invest in R&D activities and optimise our R&D expenses to support long-term growth of our business. See “Business – Research and Development” and “Future Plans and [REDACTED] – [REDACTED].”

Furthermore, we are committed to innovations and continuous advancing technologies in the offerings of our wireless communication solutions.

However, there are uncertainties in our R&D process, and the results of the investment may not be predictable, which may in turn affect our results of operations.

Industry Policies

We offer our wireless communication solutions for the end-applications of various IoT scenarios including consumer devices and commercial and industrial devices. During the Track Record Period, we sold our products to end-product manufacturers and OEMs, and offered embedded software customisation, RF tuning, and technical integration support to address

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customers’ connectivity and RF-related engineering challenges. As such, our business, financial condition and results of operations are highly dependent on the favourable government policies supporting the development of IoT industry.

In recent years, the PRC government has implemented favourable policies and development plans, facilitating the growth of IoT industry and empowering product innovations. During the Track Record Period, we received government grants and subsidies from the local government of the PRC in relation to business development in several PRC regions, totaling RMB2.0 million, RMB1.4 million and RMB0.7 million and RMB1.0 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Such government grants and subsidies include (i) refunds of value-added tax granted under the refund-upon-collection policy applicable to self-developed software products; and (ii) awards and support funds granted in respect of our recognition as a municipal-level “specialised, refined, distinctive and innovative” small and medium-sized enterprise in Shenzhen and under local programmes for the cultivation of innovation and development of private and small and medium-sized enterprises and for the development of advanced manufacturing.

However, these policies are still new and may be subject to further adjustments and changes. Any changes in the supportive government policies or reductions in grants or incentives may negatively reduce the competitiveness of market participants in the IoT industry and affected product innovations. As a supplier supporting the applications of IoT products in the wireless communication areas, our business, financial condition and results of operation may also be negatively affected.

Macroeconomic Conditions

Our business, financial condition and results of operations have been and will continue to be affected by macroeconomic conditions in the markets in which we operate, including (i) global and China’s social and economic conditions and available financial resources; (ii) technology development and intensified competition in the wireless communications industry, with major competitors lowering product prices; (iii) shifts in supply and demand across the countries and regions where we operate and sell products into; and (iv) relevant laws and regulations and government policies and initiatives, including supporting government policies for the development of IoT industry and tax incentives for high technology enterprises.

MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

In the process of applying our Group’s accounting policies, we have to make assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management judgements based on information and financial data that may change in future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. For details, see Note 3 to our consolidated financial statements included in the Accountant’s Report in Appendix I to this document.

Our significant accounting policies, estimates and judgements, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Note 4 to our consolidated financial statements included in the Accountant’s Report in Appendix I to this document.

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RESULTS OF OPERATION

The following table summarises our results of operations for the years/periods indicated.

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	174,406	194,365	85,031	109,655
Cost of sales	(119,724)	(136,983)	(59,984)	(76,335)
Gross profit	54,682	57,382	25,047	33,320
Investment and other income	2,698	2,210	1,002	1,170
Other gains and losses	(336)	(105)	(42)	185
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(273)	(61)	110	(128)
Research and development expenses	(16,847)	(18,618)	(9,245)	(10,239)
Distribution and selling expenses	(13,263)	(15,502)	(7,483)	(9,495)
Administrative expenses	(23,244)	(25,599)	(14,079)	(11,571)
Impairment losses on prepayment	(500)	–	–	–
Finance costs, net	(277)	(229)	(108)	(343)
Profit/(loss) before [REDACTED] [REDACTED]	2,640 [REDACTED]	(522) [REDACTED]	(4,798) [REDACTED]	2,899 [REDACTED]
Profit/(loss) before tax	2,640	(522)	(4,798)	(259)
Income tax (expense)/credit	(2,774)	(2,257)	10	(893)
Loss and total comprehensive expense for the year/period	(134)	(2,779)	(4,788)	(1,152)

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NON-HKFRS MEASURES

As to supplement our consolidated financial statements, which are presented in accordance with HKFRSs, we also use adjusted net profit (non-HKFRS measure) as an additional financial measure. We present this financial measure because it is used by our management to evaluate our financial performance. We also believe this non-HKFRS measure provides additional information to investors and others in their understanding and evaluating our results of operations in the same manner as they help our management and in comparing financial results across accounting periods and to those of our peer companies. However, this non-HKFRS measure does not have a standardised meaning prescribed by HKFRSs and therefore, it may not be comparable to similar measures presented by other companies. We define “adjusted net (loss)/profit” (non-HKFRS measure) as (loss)/profit for the year/period adjusted by adding [REDACTED], which are mainly related to professional fees rendered in relation to the [REDACTED].

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year/period	(134)	(2,779)	(4,788)	(1,152)
Add:				
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss)/profit (Non-HKFRS measure)	(134)	(2,779)	(4,788)	2,006

Revenue

In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, our revenue amounted to RMB174.4 million, RMB194.4 million, RMB85.0 million and RMB109.7 million, respectively. During the Track Record Period, we primarily generated our revenue from the provision of wireless module and antenna solutions.

The following table sets forth a breakdown of our revenue by business segment for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Wireless module solutions	123,044	70.5	133,568	68.7	58,222	68.5	80,221	73.2
Antenna solutions	50,608	29.0	45,059	23.2	20,871	24.5	26,160	23.8
PCBA	754	0.5	15,738	8.1	5,938	7.0	3,274	3.0
Total	174,406	100.0	194,365	100.0	85,031	100.0	109,655	100.0

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During the Track Record Period, we primarily generated revenue from our sales in the PRC, which accounted for 94.5%, 90.7%, 89.4% and 94.9% of our total revenue in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. We also sold our solutions into geographic areas outside the PRC, including Mongolia and Vietnam.

The following table sets forth a breakdown of our revenue by geographic area for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
PRC	164,832	94.5	176,273	90.7	75,986	89.4	104,053	94.9
APAC	7,409	4.2	15,659	8.1	7,649	9.0	4,384	4.0
Others ^(Note)	2,165	1.2	2,433	1.2	1,396	1.6	1,219	1.1
Total	174,406	100.0	194,365	100.0	85,031	100.0	109,655	100.0

Note: Others mainly include Europe and Americas.

During the Track Record Period, we primarily sold our solutions through direct sales, and engaged distributors to further expand our market reach. See “Business – Sales, Marketing and Distribution – Our sales channels.”

The following table sets forth a breakdown of our revenue by sales model for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Direct sales	165,345	94.8	187,649	96.5	81,429	95.8	103,098	94.0
Distributorship	9,061	5.2	6,716	3.5	3,602	4.2	6,557	6.0
Total	174,406	100.0	194,365	100.0	85,031	100.0	109,655	100.0

Cost of Sales

Our cost of sales consisted of (i) cost of raw materials, which included cost of chips, PCBs and other electric components, in support of our solutions, (ii) cost of labour, which included employee salaries for production, and (iii) cost of manufacturing overhead, which primarily comprised depreciation expense of property, plant and equipment, water and electricity, depreciation of right-of-use assets and consumables. In particular, raw material costs are our main cost of sales, accounted for approximately 87.2%, 87.7%, 87.3% and 87.3% of our total cost of sales in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

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The following table sets out the breakdown of our cost of sales by nature for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Cost of raw materials	104,385	87.2	120,088	87.7	52,387	87.3	66,673	87.3
Cost of labour	12,533	10.5	12,745	9.3	5,763	9.6	6,608	8.7
Cost of manufacturing overhead	2,806	2.3	4,150	3.0	1,834	3.1	3,054	4.0
Total	119,724	100.0	136,983	100.0	59,984	100.0	76,335	100.0

The following table sets forth, for the years/periods indicated, a breakdown of our cost of sales by business segment.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Wireless module solutions	83,050	69.4	93,667	68.4	41,096	68.5	53,955	70.7
Antenna solutions	36,097	30.1	33,233	24.3	15,416	25.7	20,059	26.3
PCBA solutions	577	0.5	10,083	7.4	3,472	5.8	2,321	3.0
Total	119,724	100.0	136,983	100.0	59,984	100.0	76,335	100.0

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of gross profit and gross profit margin by business segment for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Wireless module solutions	39,994	32.5	39,901	29.9	17,126	29.4	26,266	32.7
Antenna solutions	14,511	28.7	11,826	26.2	5,455	26.1	6,101	23.3
PCBA solutions	177	23.5	5,655	35.9	2,466	41.5	953	29.1
Total	54,682	31.4	57,382	29.5	25,047	29.5	33,320	30.4

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Investment and Other Income

Investment and other income mainly comprise (i) government grants, including (a) VAT refund, which is in line with our sales activities and recurring in nature, (b) government subsidies supporting technology research and developments, and (c) incentives supporting stable employment; (ii) gain on disposal of scrap, which is the sales of scrap materials generated in the production process, including metal scraps and waste electronic components; (iii) investment income, including income from repurchase of treasury bonds and investments in short-term low-risk wealth management products; and (iv) other sundry income.

Our investment and other income amounted to RMB2.7 million, RMB2.2 million, RMB1.0 million and RMB1.2 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Other Gains and Losses

Other gains and losses mainly comprised (i) gain on early termination of lease in relation to a leased property for office and production; (ii) net foreign exchange losses in relation to sales income generated from overseas sales; (iii) loss on disposal of property, plant and equipment in relation to an one-off replacement of production equipment; and (iv) others.

We incurred other losses of RMB0.3 million, RMB0.1 million and RMB42 thousand in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025, respectively. We incurred other gains of RMB0.2 million in the six months ended 30 June 2026.

Impairment losses under expected credit loss (“ECL”) model, net of reversal

Our net impairment losses consisted of the provisions for expected credit losses on trade receivables, which mainly comprised (i) specific provisions for individual customers with significant credit risks, and (ii) general provisions for trade receivables grouped by ageing. We incurred net impairment losses of RMB0.3 million, RMB61 thousand, and RMB0.1 million for the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, respectively, and recognised a net reversal of impairment losses of RMB0.1 million for the six months ended 30 June 2025.

Research and Development Expenses

Research and development expenses mainly comprised (i) staff costs and benefits in relation to the salaries and employee benefits of R&D personnel, (ii) depreciation and amortisation of properties and equipment for R&D facilities, (iii) technical service fees incurred for the external testing and certification for new products, (iv) office expenses incurred in the operation of office space for R&D activities, and (v) cost of raw materials incurred during the R&D process.

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The following table sets forth a breakdown of our research and development expenses for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs and benefits	14,095	83.7	14,540	78.1	7,643	82.7	8,448	82.5
Depreciation and amortisation	1,269	7.5	1,853	10.0	700	7.6	746	7.3
Technical service fee	407	2.4	853	4.6	288	3.1	359	3.5
Office expenses	653	3.9	855	4.6	331	3.6	373	3.6
Raw materials	419	2.5	490	2.6	259	2.8	313	3.1
Others ⁽¹⁾	4	–	27	0.1	24	0.2	– ⁽²⁾	–
Total	16,847	100.0	18,618	100.0	9,245	100.0	10,239	100.0

Note:

- (1) Others refer to miscellaneous expenses incurred during daily R&D operations, mainly including travel expenses in relation to business trips of R&D staff.
- (2) The amount is minimal.

We incurred research and development expenses of RMB16.8 million, RMB18.6 million, RMB9.2 million and RMB10.2 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Distribution and Selling Expenses

Distribution and selling expenses mainly comprised (i) staff costs and benefits in relation to the salaries and employee benefits of sales and marketing staff, (ii) marketing and advertising expenses in relation to the promotion of our products and solutions through online and offline channels, including the participation of offline exhibitions and the operation of social media accounts, (iii) travelling and accommodation expenses incurred by sales staff for business trips to promote our products and solutions, (iv) transportation expenses, including logistic fees paid for the delivery of our products and solutions and (v) office expenses incurred in supporting the sales and marketing activities.

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The following table sets forth a breakdown of our distribution and selling expenses for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs and benefits	8,437	63.6	11,031	71.2	5,019	67.1	7,739	81.5
Marketing and advertising expenses	2,710	20.4	2,349	15.2	1,546	20.7	744	7.8
Travelling and accommodation expenses	993	7.5	1,168	7.5	524	7.0	533	5.6
Transportation expenses	822	6.2	757	4.9	360	4.8	352	3.7
Office expenses	237	1.8	157	1.0	26	0.3	102	1.1
Others ^(Note)	64	0.5	40	0.2	9	0.1	25	0.3
Total	13,263	100.0	15,502	100.0	7,483	100.0	9,495	100.0

Note: Others mainly include warranty provision.

Our distribution and selling expenses amounted to RMB13.3 million, RMB15.5 million, RMB7.5 million and RMB9.5 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Administrative Expenses

Administrative expenses primarily comprise (i) staff costs and benefits in relation to salaries and employment benefits provided to administrative staff; (ii) depreciation and amortisation of property and computers for administrative functions; (iii) travel and accommodation expenses for management; (iv) office expenses incurred for the operation of office space, including office charges, safety management fee and water and electricity fees; and (v) professional fees for the operation of our business, including IT service fees for IT systems supporting our operational efficiency, data management and internal coordination and disclosure fees for quotation on the NEEQ.

The following table sets forth a breakdown of our administrative expenses for the years/periods indicated.

	Year ended 31 December				Six months ended 30 June			
	2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs and benefits	17,976	77.3	19,876	77.6	10,789	76.6	9,380	81.1
Depreciation and amortisation	2,623	11.3	2,460	9.6	1,565	11.1	981	8.5
Travelling and accommodation expenses	691	3.0	688	2.7	281	2.0	391	3.4
Professional fees	600	2.6	930	3.6	503	3.6	324	2.8
Office expenses	993	4.3	915	3.6	446	3.2	362	3.1
Others ^(Note)	363	1.5	730	2.9	495	3.5	132	1.1
Total	23,244	100.0	25,599	100.0	14,079	100.0	11,571	100.0

Note: Others mainly include bank charges.

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Administrative expenses amounted to RMB23.2 million, RMB25.6 million, RMB14.1 million and RMB11.6 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Income Tax (Expense)/Credit

Income tax expense comprises current income tax and deferred income tax that we have incurred. We incurred income tax expenses of RMB2.8 million, RMB2.3 million and RMB0.9 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, respectively, and incurred an income tax credit of RMB10.0 thousand in the six months ended 30 June 2025.

Period to Period Comparison of Results of Operations

Six months ended 30 June 2025 Compared to six months ended 30 June 2026

Revenue

Our overall revenue increased by 29.0% from RMB85.0 million in the six months ended 30 June 2025 to RMB109.7 million in the six months ended 30 June 2026, mainly as we continued to increase sales in wireless module and antenna solutions, in particular.

- For the provision of wireless module solutions, our revenue increased by 37.8% from RMB58.2 million in the six months ended 30 June 2025 to RMB80.2 million in the six months ended 30 June 2026, primarily driven by an increase in demand for our solutions from Customer A, which was one of our major customers and mainly operated in the new energy industry and integrated our solutions into its products.
- For the provision of antenna solutions, our revenue increased by 25.4% from RMB20.9 million in the six months ended 30 June 2025 to RMB26.2 million in the six months ended 30 June 2026, primarily driven by an increase in sales to Customer E.
- For the provision of PCBA solutions, our revenue decreased by 44.1% from RMB5.9 million in the six months ended 30 June 2025 to RMB3.3 million in the six months ended 30 June 2026, primarily due to a decrease in the sales to Customer F, an overseas customer in Mongolia and our largest customer in terms of revenue contribution in 2025.

In addition, for the provision of wireless communication solutions in the PRC, our revenue increased by 27.0% from RMB76.0 million in the six months ended 30 June 2025 to RMB104.1 million in the six months ended 30 June 2026, primarily attributable to an increase in the sales of wireless module solution. For the provision of wireless communication solutions overseas, our revenue decreased by 37.8% from RMB9.0 million in the six months ended 30 June 2025 to RMB5.6 million in the six months ended 30 June 2026, primarily due to a decrease in the sales of PCBA solutions to Customer F, an overseas customer in Mongolia.

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Cost of Sales

Our cost of sales increased by 27.2% from RMB60.0 million in the six months ended 30 June 2025 to RMB76.3 million in the six months ended 30 June 2026, which was in line with the growing sales of our solutions and attributable to (i) an increase in cost of raw materials in relation to (a) an increase in the sales volume of our wireless communication solutions and (b) the fluctuation of the unit price of chips and PCB, (ii) an increase in labour costs in relation to (a) an increase in the number of production staff and (b) an increase in average labour costs resulting from overtime working hours to meet increase in production volume, and (iii) an increase in manufacturing overhead due to investing in increasing the level of automation. In particular,

- For the provision of wireless module solutions, our cost of sales for this segment increased by 31.4% from RMB41.1 million in the six months ended 30 June 2025 to RMB54.0 million in the six months ended 30 June 2026, primarily attributable to an increase in raw material costs in relation to the increase in wireless module solutions sales, which was in line with our revenue growth;
- For the provision of antenna solutions, our cost of sales increased by 30.5% from RMB15.4 million the six months ended 30 June 2025 to RMB20.1 million in the six months ended 30 June 2026, mainly due to an increase in raw material costs, which was in line with our revenue growth; and
- For the provision of PCBA solutions, our cost of sales decreased by 34.3% from RMB3.5 million in the six months ended 30 June 2025 to RMB2.3 million in the six months ended 30 June 2026, mainly resulting from reduced in sales to one of our major customers.

Gross Profit and Gross Profit Margin

Our gross profit increased by 33.2% from RMB25.0 million in the six months ended 30 June 2025 to RMB33.3 million in the six months ended 30 June 2026 and our gross profit margin increased from 29.5% in the six months ended 30 June 2025 to 30.4% in the six months ended 30 June 2026, primarily because the growth rate of the cost of sales was lower than that of the revenue as we optimised the unit production costs by automating production processes and managing procurement costs. In particular,

- For the provision of wireless module solutions, our gross profit increased from RMB17.1 million in the six months ended 30 June 2025 to RMB26.3 million in the six months ended 30 June 2026 and our gross profit margin increased from 29.4% in the six months ended 30 June 2025 to 32.7% in the six months ended 30 June 2026, primarily attributable to (i) an increase in the sales, and (ii) an increase in production volume, thereby reducing the average manufacturing overhead cost per unit and achieving economies of scale;
- For the provision of antenna solutions, our gross profit increased from RMB5.4 million in the six months ended 30 June 2025 to RMB6.1 million in the six months ended 30 June 2026 while our gross profit margin decreased from 26.1% in the six months ended 30 June 2025 to 23.3% in the six months ended 30 June 2026, primarily attributable to (i) a decrease in the average unit sales price as we intended to maintain our market competitiveness, and (ii) an increase in raw material costs; and

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- For the provision of PCBA solutions, our gross profit decreased from RMB2.5 million in the six months ended 30 June 2025 to RMB1.0 million in the six months ended 30 June 2026 and our gross profit margin decreased from 41.5% in the six months ended 30 June 2025 to 29.1% in the six months ended 30 June 2026, primarily attributable to a decrease in the sales to Customer F, which carried a higher gross profit margin.

Investment and Other Income

Our investment and other income increased by 20.2% from RMB1.0 million in the six months ended 30 June 2025 to RMB1.2 million in the six months ended 30 June 2026, primarily attributable to an increase in government grants, including the VAT refund in relation to an increase in sales of module solutions.

Other gains and losses

We incurred other losses of RMB42 thousand in the six months ended 30 June 2025, and other gains of RMB0.2 million in the six months ended 30 June 2026, primarily attributable to fluctuations in exchange rates between RMB and other foreign currencies.

Research and development expenses

Our research and development expenses increased by 10.9% from RMB9.2 million in the six months ended 30 June 2025 to RMB10.2 million in the six months ended 30 June 2026, primarily attributable to (i) an increase in staff costs and benefits in relation to an increase in the compensation level of our employees, to support the R&D activities of new product lines, (ii) an increase in depreciation and amortisation in relation to an increase in the investment of R&D equipment and software, (iii) an increase in technical service fees in relation to external testing expenses and CE/FCC certification costs, and (iv) an increase in raw material expenses in relation to the use of materials for the trial production of new products.

Impairment losses/(gains) under expected credit loss (“ECL”) model, net of reversal

We incurred net impairment gains of RMB0.1 million in the six months ended 30 June 2025, in relation to and recognised net impairment loss of RMB0.1 million in the six months ended 30 June 2026 primarily attributable to an increase in the amount of overall ageing of the trade receivables.

Distribution and selling expenses

Our distribution and selling expenses increased by 26.7% from RMB7.5 million in the six months ended 30 June 2025 to RMB9.5 million in the six months ended 30 June 2026, primarily attributable to an increase in staff costs and benefits relating to overseas market expansion and an increase in provisions for performance bonuses as a result of the increase in sales and partially offset by the decrease in marketing and advertising expenses.

Administrative Expenses

Our administrative expenses decreased from RMB14.1 million in the six months ended 30 June 2025 to RMB11.6 million in the six months ended 30 June 2026, primarily due to (i) headcount optimization, and (ii) a decrease in depreciation and amortisation in relation to a decrease on office space.

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Income tax (expense)/credit

We incurred an income tax credit of RMB10 thousand in the six months ended 30 June 2025, primarily due to over provision made in prior years, and an income tax expense of RMB0.9 million in the six months ended 30 June 2026, primarily attributable to the taxable profit for the period.

Loss and total comprehensive expense for the period

As a result of the foregoing, our loss and total comprehensive expense for the period decreased from RMB4.8 million in the six months ended 30 June 2025 to RMB1.2 million in the six months ended 30 June 2026.

2024 Compared to 2025

Revenue

Our overall revenue increased by 11.5% from RMB174.4 million in 2024 to RMB194.4 million in 2025, primarily attributable to (i) the significant increase in revenue from PCBA solutions from RMB0.8 million to RMB15.7 million following the commencement of sales to one of our major customers; (ii) the moderate growth in the sales of wireless module, both in absolute amount and as a proportion, as a result of increased market demand for IoT end device.

- For the provision of wireless modules solutions, our revenue increased by 8.6% from RMB123.0 million in 2024 to RMB133.6 million in 2025, primarily attributable to an increase in sales of our wireless module solutions in the PRC and new customers secured through our continued sales and marketing efforts.
- For the provision of antenna solutions, our revenue decreased by 10.9% from RMB50.6 million in 2024 to RMB45.1 million in 2025, mainly because we strategically reduced the unit price of our antenna solutions to further strengthen our competitiveness in the market.
- For the provision of PCBA solutions, our revenue increased significantly from RMB0.8 million in 2024 to RMB15.7 million in 2025, primarily because we successfully sold a PCBA solution to Customer F, an overseas customer in Mongolia for the production of carbon monoxide sensors.

In addition, for the provision of wireless communication solutions in the PRC, our revenue increased by 6.9% from RMB164.8 million in 2024 to RMB176.3 million in 2025, primarily due to an increase of in the delivery of solutions and new customers obtained as we continued our sales and marketing efforts in the PRC. For the provision of wireless communication solutions overseas, our revenue increased significantly by 89.0% from RMB9.6 million in 2024 to RMB18.1 million in 2025, primarily due to an increase of RMB8.2 million in revenue generated sales of a PCBA solution to an overseas customer in Mongolia for the production of carbon monoxide sensors.

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Cost of Sales

Our cost of sales increased by 14.5% from RMB119.7 million in 2024 to RMB137.0 million in 2025, primarily attributable to an increase in the sales of our solutions and expansion in production capacity, including (i) an increase in cost of raw materials in relation to rising raw material prices including the unit price of chips and PCBs, and changes in product mix as we focused more on the provision of modules in 2025, which generally required more materials than the provision of antennas, and (ii) an increase in depreciations of property, plant and equipment in relation to the addition of production equipment, which was in line with our growth in the provision of wireless modules and PCBA. In particular,

- For the provision of wireless module solutions, our cost of sales increased by 12.8% from RMB83.1 million in 2024 to RMB93.7 million in 2025, primarily driven by expanded production volume to meet growing market demand, as well as rising raw material prices, in particular, the rising unit price of chips and PCBs as affected by global supply chain constraints, which was in line with the industry trend in 2025, according to F&S.
- For the provision of antenna solutions, our cost of sales decreased by 8.0% from RMB36.1 million in 2024 to RMB33.2 million in 2025, primarily due to a decrease in sales volume.
- For the provision of PCBA solutions, our cost of sales increased significantly from RMB0.6 million in 2024 to RMB10.1 million in 2025, primarily attributable to the corresponding increase in revenue relating to PCBA solutions sold to one of our major customers.

Gross Profit and Gross Profit Margin

Our gross profit increased by 4.9% from RMB54.7 million in 2024 to RMB57.4 million in 2025, primarily attributable to an increase in the sales of our solutions. Our gross profit margin decreased from 31.4% in 2024 to 29.5% in 2025, primarily attributable to (i) an increase in raw material costs of 15.0% as affected by factors including the fluctuation of the unit price of chips and PCBs; (ii) a decrease in average pricing of our antenna solutions to boost our competitiveness; and (iii) an increase in manufacturing overhead of 47.9% due to higher level of automation. In particular,

- For the provision of wireless module solutions, our gross profit remained relatively stable at RMB40.0 million in 2024 and RMB39.9 million in 2025 and our gross profit margin decreased from 32.5% in 2024 to 29.9% in 2025, primarily attributable to an increase in material costs including prices of chips and PCBs, which was in line with industry trends according to F&S;
- For the provision of antenna solutions, our gross profit decreased from RMB14.5 million in 2024 to RMB11.8 million in 2025 and our gross profit margin decreased from 28.7% in 2024 to 26.2% in 2025, primarily attributable to (i) a decrease in the average unit sales price as we intended to maintain our market competitiveness, and (ii) an increase in raw material costs including copper prices, which was in line with industry trends according to F&S; and
- For the provision of PCBA solutions, our gross profit increased from RMB0.2 million in 2024 to RMB5.7 million in 2025 and our gross profit margin increased from 23.3% in 2024 to 35.9% in 2025, primarily attributable to an increase in the sales to Customer F, which carried a higher gross profit margin.

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Investment and Other Income

Our investment and other income decreased by 18.5% from RMB2.7 million in 2024 to RMB2.2 million in 2025, primarily attributable to a decrease of RMB0.6 million in government grants. The government grants mainly comprised VAT refund in relation to our sales of module solutions.

Other gains and losses

Our other gains and losses decreased by 66.7% from a loss of RMB0.3 million in 2024 to a loss of RMB0.1 million in 2025, primarily attributable to (i) a decrease of RMB0.2 million in net foreign exchange losses in relation to the exchange rate fluctuations, and (ii) a decrease of RMB0.1 million in others in relation to the non-recurrence of an one-off gain from the early termination of a lease by Luoyang Bocheng recognised in 2024.

Impairment losses under expected credit loss (“ECL”) model, net of reversal

Our net impairment losses decreased from RMB0.3 million in 2024 and to RMB0.1 million in 2025, primarily due to a decrease in overdue trade receivables as we received payments from customers.

Research and development expenses

Our research and development expenses increased by 10.7% from RMB16.8 million in 2024 to RMB18.6 million in 2025, primarily attributable to (i) an increase in staff costs and benefits of RMB0.4 million, in relation to the increase in total R&D staff compensation to support the development of new offerings, such as AI edge computing and integrated sensing solutions, (ii) an increase of RMB0.6 million in depreciation and amortisation in relation to the acquisition of additional R&D equipment in 2025, and (iii) an increase of RMB0.4 million in technical service fees in relation to the additional external testing and certification for our new products, including module and PCBA solutions, as a result of the growing number of our R&D projects,

Distribution and selling expenses

Our distribution and selling expenses increased by 16.5% from RMB13.3 million in 2024 to RMB15.5 million in 2025, primarily attributable to an increase in staff costs and benefits in relation to bonuses and commissions paid driven by revenue growth.

Administrative Expenses

Our administrative expenses increased by 10.3% from RMB23.2 million in 2024 to RMB25.6 million in 2025, primarily due to an increase of RMB1.9 million in staff costs and benefits.

Income tax expense

Our income tax expense decreased by 17.9% from RMB2.8 million in 2024 and to RMB2.3 million in 2025, primarily attributable to a decrease in taxable profit.

Loss and total comprehensive expense for the year

As a result of the foregoing, our loss and total comprehensive expense for the year increased significantly from RMB0.1 million in 2024 to RMB2.8 million in 2025 losses for 2025.

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DESCRIPTION OF CERTAIN ITEMS FROM THE STATEMENT OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as at the dates indicated.

	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	27,750	25,417	23,591
Right-of-use assets	4,143	3,150	2,292
Deposits	321	330	330
Prepayments for acquisition of property, plant and equipment	117	274	236
Intangible assets	985	1,570	1,392
Financial assets at fair value through profit or loss (“FVTPL”)	–	7,000	7,000
Goodwill	4,659	4,659	4,659
Deferred tax assets	572	864	703
Total non-current assets	38,547	43,264	40,203
Current assets			
Inventories	23,161	24,600	34,239
Trade and bills receivables	37,482	38,317	42,897
Income tax recoverable	–	–	155
Prepayments, deposits and other receivables	8,379	9,488	14,655
Cash and cash equivalents	28,923	40,176	35,622
Total current assets	97,945	112,581	127,568
Current liabilities			
Trade payables	25,352	37,957	40,845
Contract liabilities	894	1,383	1,629
Other payables and accrued expenses	25,940	31,666	33,592
Lease liabilities	1,615	2,648	1,572
Income tax payable	1,316	1,180	–
Bank borrowings	3,500	10,000	29,700
Total current liabilities	58,617	84,834	107,338
Net current assets	39,328	27,747	20,230
Total assets less current liabilities	77,875	71,011	60,433

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	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Non-current liabilities			
Lease liabilities	2,650	1,353	1,282
Total non-current liabilities	2,650	1,353	1,282
Net assets	75,225	69,658	59,151
Equity			
Share capital	46,464	46,464	46,464
Reserves	28,761	23,194	12,687
Total equity	75,225	69,658	59,151

Property, Plant and Equipment

Our property, plant and equipment comprised (i) machinery, (ii) leasehold improvements, (iii) construction progress, (iv) computer equipment, (v) motor vehicles, and (vi) furniture and fixtures. Our property, plant and equipment decreased from RMB27.8 million as at 31 December 2024 to RMB25.4 million as at 31 December 2025, primarily due to (i) software of MES system transferred from construction- in-progress to intangible assets, and (ii) depreciation. Our property, plant and equipment further decreased from RMB25.4 million as at 31 December 2025 to RMB23.6 million as at 30 June 2026, primarily due to depreciation of the machinery.

Right-of-use Assets

Our right-of-use assets mainly comprised our leasehold buildings and office premises. Our right-of-use assets decreased from RMB4.1 million as at 31 December 2024 to RMB3.2 million as at 31 December 2025 and further decreased to RMB2.3 million as at 30 June 2026, primarily due to (i) the fact that we did not enter into material new leases during Track Record Period; and (ii) the depreciation of our right-of-use assets.

Deposits

Our deposits were mainly for factory and office rentals. Our deposits remained relatively stable at RMB0.3 million as at 31 December 2024 and 2025 and as at 30 June 2026.

Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

Our financial assets at FVTPL mainly comprised investments in subsidiaries. We recorded financial assets at FVTPL of RMB7.0 million as at 31 December 2025, primarily due to an investment in a fabless semiconductor firm in the PRC.

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Goodwill

Our goodwill mainly comprised the cost and carrying value arising from the acquisition of Shenzhen AiThinker, a wholly-owned subsidiary. In 2016, we acquired Shenzhen AiThinker for a consideration of RMB8.1 million, which was settled in cash. In 2021, Shenzhen AiThinker became our indirect wholly-owned subsidiary. Our Directors are of the view that there was no impairment loss recognised for Shenzhen AiThinker during the Track Record Period. As such, our good will remained the same at RMB4.7 million as at 31 December 2024 and 2025 and 30 June 2026.

Inventories

Our inventories principally comprise raw materials, work-in-progress products and finished goods. The following table sets forth the balance of our inventories as at the dates indicated:

	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Raw materials	13,160	15,233	19,055
Work-in-progress	5,684	4,212	5,012
Finished goods	4,317	5,155	10,172
Total	23,161	24,600	34,239

Our balance of raw materials increased by 15.8% from RMB13.2 million as at 31 December 2024 to RMB15.2 million as at 31 December 2025, primarily attributable to an increase in raw materials as a result of production expansion for growing customer demands. Our balance of work-in-progress products decreased by 25.9% from RMB5.7 million as at 31 December 2024 to RMB4.2 million as at 31 December 2025, primarily attributable to the completion of preliminary processes by automated production lines, which shortened the production cycle for inventory preparation. Our balance of finished goods increased by 19.4% from RMB4.3 million as at 31 December 2024 to RMB5.2 million as at 31 December 2025, primarily attributable to maintaining a regular inventory level of finished products aligned with our revenue growth.

Our balance of raw materials increased by 25.1% from RMB15.2 million as at 31 December 2025 to RMB19.1 million as at 30 June 2026, primarily attributable to preparing for the peak season in the second half of the year. Our balance of work-in-progress products increased by 19.0% from RMB4.2 million as at 31 December 2025 to RMB5.0 million as at 30 June 2026, primarily attributable to growing order volumes and increased production scheduling, which expanded the scale of goods-in-progress and increased capacity utilisation rates. Our balance of finished goods increased by 97.3% from RMB5.2 million as at 31 December 2025 to RMB10.2 million as at 30 June 2026, primarily attributable to an increase in inventory to support revenue growth.

We adopt stringent inventory control and endeavour to maintain low inventory level required for our operations through effective inventory management, which includes (i) inventory management, whereby our production and procurement plans are managed principally based on periodic rolling forecasts of market demand to mitigate the risk of excessive inventory stockpiling; (ii) inventory ageing management and provisioning, whereby we closely monitor the

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ageing profile of our inventories through regular reviews, and specific tracking is implemented to identify slow-moving items, obsolescence, or declines in market value. In line with our conservative accounting policy, provisions for inventory impairment are strictly made for inventories that have been aged over one year, or when the net realisable value of any inventory falls below its cost; and (iii) scrapping and disposal of obsolete inventories, whereby inventories that are identified as entirely obsolete, damaged, or beyond economic repair are promptly written off following management approval, with physical scrapping and clearing being executed through formal disposal procedures to ensure operational efficiency.

The following table sets forth the ageing analysis of our inventories as at the dates indicated.

	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Raw materials			
Within 30 days	3,807	11,961	9,039
31–60 days	1,548	1,584	3,228
61–90 days	456	525	2,386
91–180 days	1,146	556	3,758
Over 181 days	6,203	607	645
Subtotal	13,160	15,233	19,055
Work-in-progress			
Within 30 days	3,176	3,137	3,042
31–60 days	311	262	1,185
61–90 days	473	14	243
91–180 days	391	212	207
Over 181 days	1,333	587	337
Subtotal	5,684	4,212	5,012
Finished Goods			
Within 30 days	2,543	3,789	6,754
31–60 days	345	485	1,682
61–90 days	277	197	729
91–180 days	608	358	685
Over 181 days	544	325	319
Subtotal	4,317	5,155	10,172
Total	23,161	24,600	34,239

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The following table sets forth the turnover days of our inventories for the years indicated.

	Year ended 31 December		Six months ended 30 June 2026
	2024	2025	
Average inventory turnover days ^(Note)	77	64	69

Note: Inventory turnover days are calculated by dividing the arithmetic mean of the opening and closing balances of inventories for the relevant period by cost of sale and multiplied by 365 days for 2024 and 2025 and 181 days for the six months ended 30 June 2026.

Our average inventory turnover days decreased from approximately 77 days in 2024 to approximately 64 days in 2025, primarily due to an increase in sales volume. Our average inventory turnover days increased to approximately 69 days in the six months ended 30 June 2026, primarily due to an increase in raw materials for production.

As at 18 August 2026, approximately RMB23.5 million or 66.0% of our inventories as at 30 June 2026 had been sold or utilised.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as at the dates indicated:

	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Trade receivables	30,423	29,322	36,139
Bills receivables	7,059	8,995	6,758
Total	37,482	38,317	42,897

Our trade and bills receivables increased by 2.1% from RMB37.5 million as at 31 December 2024 to RMB38.3 million as at 31 December 2025, primarily due to the expansion of our business operations driven by revenue growth while the growth rate of trade and bills receivables remained below our revenue growth rate due to strengthened collection management. In particular, certain customers, including Customer F and Customer G provided full payments prior to the delivery of goods.

Our trade and bills receivables further increased by 12.0% from RMB38.3 million as at 31 December 2025 to RMB42.9 million as at 30 June 2026, primarily due to continued business operation expansion. The increase in the balance of our trade and bills receivables over time generally aligns with our business growth. In addition, our bills receivables decreased from RMB9.0 million as at 31 December 2025 to RMB6.8 million as at 30 June 2026, mainly because Customer D, one of our top five customers in 2025, settled payments through bills.

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Our trading terms with our customers are mainly on credit, except for new customers. We usually require prepayments from new customers. The credit period is generally for a period of 30 to 180 days for major customers. Each customer has a maximum credit limit. For existing customers, the credit limits and terms are also adjusted based on historical payment records. Our Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Our credit risk control measures include (i) customer credit monitoring and approval, (ii) regular ageing monitoring, (iii) suspension of shipment for overdue receivables, and (iv) quarterly assessment of impairment risks for individual customers. We start collection efforts after the credit period expires, suspend shipments 60 days after the expiry and re-assess the credit terms provided. Overdue balances are reviewed regularly by senior management. We typically do not require any collateral as security.

Our policy for impairment on trade receivables is based on an evaluation of collectability and ageing analysis of the receivables that requires the use of judgement and estimates of our management. Provisions would apply to the receivables when there are events or changes in circumstances which indicate that the balances may not be collectible. Our management closely reviews the trade receivables balances and any overdue balances on an ongoing basis, and assessments are made by our management on the collectability of overdue balances. After fully considering the nature of trade receivables and their collectability on a case-by-case basis, we have made provisions for the impairment of certain long overdue trade receivables in order to ensure the quality of our assets.

The Group applies the simplified approach under HKFRS 9 to measure lifetime expected credit losses (“ECL”) for trade receivables. The ECL rates are 0.5% for 0–90 days, 2.0% for 91–180 days, 10.0% for 181–365 days, and 50.0% for over 365 days as at 31 December 2024 and 2025 and 30 June 2026, respectively.

The following table sets forth the ageing analysis of our trade receivables, based on the invoice date, as at the dates indicated:

	As at 31 December		As at
	2024	2025	30 June
	RMB'000	RMB'000	2026
			RMB'000
Within one month	9,871	11,435	13,754
One to two months	7,323	6,914	8,942
Two to three months	4,775	5,080	6,304
Three to six months	8,268	5,732	6,630
Over six months	186	161	509
Total	30,423	29,322	36,139

As at 18 August 2026, approximately RMB16.3 million or 44.1% of our trade receivables outstanding as at 30 June 2026 were settled.

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The table below sets forth a summary of average turnover days of trade receivables for the years indicated:

	Year ended 31 December		Six months ended 30 June 2026
	2024	2025	
Average turnover days of trade receivables ^(Note)	76	71	67

Note: Average turnover days of trade receivables for 2024, 2025 and the six months ended 30 June 2026 are calculated using the average balance of trade and bills receivables divided by revenue for the relevant year and multiplied by 365 days and 181 days. Average balance of trade receivables is calculated as the sum of the beginning and the ending balance for the relevant year/period, divided by two.

Our average turnover days of trade receivables decreased from 76 days in 2024 to approximately 71 days in 2025 and further decreased to 67 days in the six months ended 30 June 2026, primarily due to payments received from customers.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables mainly comprised (i) other tax recoverable, (ii) prepayments to suppliers, (iii) deposits and (iv) prepaid expenses.

Our prepayments, deposits and other receivables increased from RMB8.8 million in 2024 to RMB10.1 million in 2025, primarily due to (i) an increase of RMB1.2 million in prepaid expenses for insurance, software fees and service charges in support of business operations, and (ii) an increase of RMB0.8 million in deposits for quality guarantees paid to Customer I, and (iii) an increase of RMB0.5 million in prepayments paid to suppliers in relation to advance payments for the procurement of raw materials including chips, to secure supply and lock in purchasing prices. The total balances further increased to RMB15.2 million as at 30 June 2026, which was mainly due to (i) an increase of RMB1.9 million in prepayments to suppliers, in relation to advance payments for the procurement of raw materials including chips, to secure supply and lock in purchasing prices, (ii) an increase of RMB1.1 million in prepaid expenses for insurance, software fees and service charges in support of business operations, and (iii) prepayments of RMB1.3 million for [REDACTED].

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The following table sets forth the breakdown of our prepayments, deposits and other receivables as at the dates indicated:

	As at 31 December		Six months ended 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Prepayments paid to suppliers	1,444	1,956	3,827
Prepaid expenses	392	1,600	2,697
Prepayments for [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred issue costs	–	–	534
Deposits	960	1,800	1,364
Other tax recoverable	5,497	4,621	5,379
Others ^(Note)	524	115	90
Total	8,817	10,092	15,221
Less: rental deposits shown under non-current assets	(321)	(330)	(330)
Less: prepayment for acquisition of property, plant and equipment under non-current assets	(117)	(274)	(236)
Amount shown under current assets	8,379	9,488	14,655

Bank Balances and Cash

Our bank balances and cash mainly comprised bank deposits. Our bank balances and cash increased from RMB28.9 million in 2024 to RMB40.2 million in 2025, primarily due to an increase in bank loans. Our bank balances and cash further decreased from RMB40.2 million as at 31 December 2025 to RMB35.6 million as at 30 June 2026, which was primarily due to a net cash outflow from operating activities of RMB12.7 million, which was driven by an increase in prepayments as a result of strategic inventory stockpiling, increases in trade receivables and prepayments, as well as the payment of [REDACTED]-related expenses. This outflow was partially offset by new bank borrowings of RMB20.0 million.

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Trade Payables

Our trade payables are derived primarily from payables relating to operational obligations arising from the procurement of raw materials and the receipt of processing services. Our trade payables increased from RMB25.4 million as at 31 December 2024 to RMB38.0 million as at 31 December 2025, which was primarily due to continued expansion of business operations. Our trade payables further increased to RMB40.8 million as at 30 June 2026, mainly due to an increase in raw material procurement as we continued to expand our business. Our suppliers generally offer us trade credit periods from 30 to 60 days. The following table sets forth the ageing analysis of our trade payables, based on the invoice date, as at the dates indicated.

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within one month	12,820	17,616	22,128
One to two months	4,647	8,370	7,552
Two to three months	4,517	5,885	4,104
Three to six months	3,275	5,277	6,696
Over six months	93	809	365
Total	25,352	37,957	40,845

The table below sets forth a summary of average turnover days of trade payables for the years indicated.

	As at 31 December		As at 30 June
	2024	2025	2026
Average turnover days of trade payables ^(Note)	79	84	93

Note: Average turnover days of trade payables for 2024 and 2025 and the six months ended 30 June 2026 are calculated using the average balance of trade payables divided by cost of sales for the relevant year and multiplied by 365 days and 181 days. Average balance of trade payables is calculated as the sum of the beginning and the ending balance for the relevant year/period, divided by two.

Average trade payables turnover days increased from 79 days in 2024 to 84 days in 2025, and further increased to 93 days as at 30 June 2026 mainly due to an increase in business scale of modules and therefore increase the purchase amount of Supplier B, in which the credit term is generally around 30 to 120 days.

As at 18 August 2026, approximately RMB17.5 million or 42.9% of trade payables outstanding as at 30 June 2026 had been fully settled.

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Contract Liabilities

Our contract liabilities primarily represented cash received from customers in advance for which solutions are yet to be delivered. We usually require prepayments from new customers. Our contract liabilities increased from RMB0.9 million as at 31 December 2024 to RMB1.4 million as at 31 December 2025 and further increased to RMB1.6 million as at 30 June 2026, primarily attributable to an increase in prepayments received following an increase of new customers we engaged.

Other Payables and Accrued Expenses

Our other payables and accrued expenses mainly comprised (i) payables for purchase of property, plant and equipment; (ii) accrued payroll and welfare; (iii) other tax payables deposits; (iv) payables for labour costs; and (v) accrued operating expenses.

The following table sets forth the breakdown of our other payables and accruals as at the dates indicated:

	As at 31 December		As at
	2024	2025	30 June
	RMB'000	RMB'000	2026
			RMB'000
Payables for purchase of property, plant and equipment	3,139	3,707	2,309
Accrued payroll and welfare	17,923	25,489	28,534
Payables for labour costs	400	389	520
Accrued operating expenses	206	186	105
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables	4,233	1,896	1,118
Others	39	—	—
Total	25,940	31,666	33,592

Our other payables and accrued expenses increased by 22.7% from RMB25.9 million as at 31 December 2024 to approximately RMB31.7 million as at 31 December 2025, which was mainly attributable to an increase in accrued payroll and welfare due to provision of social insurance and housing allowance.

Our other payables and accrued expenses further increased by 6.0% from RMB31.7 million as at 31 December 2025 to RMB33.6 million as at 30 June 2026, which was mainly attributable to (i) an increase in accrued payroll and welfare, and (ii) accrued [REDACTED].

Lease Liabilities

Our lease liabilities mainly comprised rental and interest payments. Our lease liabilities decreased from RMB2.7 million as at 31 December 2024 to RMB1.4 million as at 31 December 2025, primarily attributable to the expiry of leased contracts. Our lease liabilities further decreased to RMB1.3 million as at 30 June 2026, primarily attributable to rental payments paid.

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Bank Borrowings

We had bank borrowings of RMB3.5 million as at 31 December 2024, RMB10.0 million as at 31 December 2025 and RMB29.7 million as at 30 June 2026. As at 31 December 2024 and 2025 and 30 June 2026, the unsecured short-term bank borrowings are denominated in RMB and bore variable-rate interest ranging from 3.00% to 4.25%, 2.55% to 3.45% and 2.55% to 3.00%, respectively, per annum. Bank borrowings of RMB10.0 million and RMB29.7 million as at 31 December 2025 and 30 June 2026 were guaranteed by Mr. Fu Minggang, our executive director. Such guarantees provided are expected to be fully released upon [REDACTED].

LIQUIDITY AND CAPITAL RESOURCES

The following table summarises, for the years indicated, our statements of cash flows:

	Year ended 31 December		Six months ended 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	21,120	18,395	(12,753)
Net cash used in investing activities	(2,065)	(9,636)	(67)
Net cash (used in)/generated from financing activities	(9,775)	2,494	8,266
Net increase/(decrease) in cash and cash equivalents	9,280	11,253	(4,554)
Cash and cash equivalents at beginning of year/period	19,643	28,923	40,176
Cash and cash equivalents at the end of year/period	28,923	40,176	35,622

Net cash generated from/(used in) operating activities

In the six months ended 30 June 2026, we had net cash used in operating activities of RMB12.8 million. The difference between net cash flows from operating activities and the loss before taxation of RMB0.3 million was primarily attributable to (i) certain non-operating and non-cash items, mainly including (a) depreciation of property, plant and equipment of RMB2.2 million; (b) write-down of inventories of RMB1.4 million and (c) depreciation of right-of-use assets of RMB0.9 million, and (ii) changes in working capital, primarily comprising an increase in inventories of RMB11.1 million, an increase in trade and bills receivables of RMB12.1 million and an increase in deposits, prepayments and other receivables of RMB4.8 million. These were partially offset by changes in working capital that positively affected cash flows, primarily including an increase in trade payables of RMB10.2 million.

In 2025, we had net cash generated from operating activities of RMB18.4 million. The difference between net cash flows from operating activities and the loss before taxation of RMB0.5 million was primarily attributable to (i) certain non-operating and non-cash items, mainly including (a) depreciation of property, plant and equipment of RMB4.3 million; (b) depreciation of right-of-use assets of RMB1.7 million; and (c) write-down of inventories of

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RMB1.3 million, and (ii) changes in working capital, primarily comprising an increase in trade and bills receivables of RMB11.3 million, which was positively adjusted primarily by an increase in trade payables of RMB23.0 million and an increase in other payables and accrued expenses of RMB5.7 million.

In 2024, we had net cash generated from operating activities of RMB21.1 million. The difference between net cash flows from operating activities and the profit before taxation of RMB2.6 million was primarily attributable to (i) certain non-operating and non-cash items, mainly including depreciation of property, plant and equipment of RMB4.0 million, depreciation of right-of-use assets of RMB2.1 million and write-down of inventories of RMB1.5 million, and (ii) changes in working capital, primarily comprising an increase in trade payables of RMB18.6 million and an increase in other payables and accrued expenses of RMB5.7 million, which is negatively adjusted by an increase in trade and bills receivables of RMB15.0 million.

Net cash used in investing activities

In the six months ended 30 June 2026, we had net cash used in investing activities of RMB67 thousand, primarily attributable to purchase of financial assets at FVTPL of RMB57.0 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB57.1 million.

In 2025, we had net cash used in investing activities of RMB9.6 million, primarily attributable to purchase of financial assets at FVTPL of RMB31.0 million and purchase of property, plant and equipment of RMB2.7 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB24.2 million.

In 2024, we had net cash used in investing activities of RMB2.1 million, primarily attributable to purchase of financial assets at FVTPL of RMB76.0 million and purchase of property, plant and equipment of RMB6.9 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB76.1 million.

Net cash (used in)/from financing activities

During the Track Record Period, our cash inflow from financing activities was principally proceeds from bank borrowings and proceeds from issuance of shares. Our cash outflow used in financing activities was principally for repayment of bank borrowings and dividend paid to shareholders.

In the six months ended 30 June 2026, we had net cash from financing activities of RMB8.3 million, primarily attributable to proceeds from new bank borrowings of RMB20.0 million, partially offset by repurchase of shares of RMB9.4 million and repayment of lease liabilities of RMB1.1 million.

In 2025, we had net cash from financing activities of RMB2.5 million primarily attributable to proceeds from new bank borrowings of RMB10.0 million, partially offset by repayment of bank borrowings of RMB3.5 million and dividend paid to shareholders of RMB2.8 million.

In 2024, we had net cash used in financing activities of RMB9.8 million, primarily attributable to repayment of bank borrowings of RMB13.9 million and repayment of bill payables of RMB7.1 million, partially offset by proceeds from new bank borrowings of RMB13.5 million.

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NET CURRENT ASSETS AND LIABILITIES

We recorded net current assets of approximately RMB38.1 million, RMB27.3 million, and RMB18.7 million as at 31 December 2024, 2025 and the six months ended 30 June 2026, respectively. The table below sets out selected information for our current assets and current liabilities as at the dates indicated, respectively:

	As at 31 December		As at 30 June 2026
	2024	2025	
	RMB'000	RMB'000	RMB'000
Current Assets			
Inventories	23,161	24,600	34,239
Trade and bills receivables	37,482	38,317	42,897
Income tax recoverable	–	–	155
Prepayments, deposits and other receivables	8,379	9,488	14,655
Cash and cash equivalents	28,923	40,176	35,622
Total current assets	97,945	112,581	127,568
Current Liabilities			
Trade payables	25,352	37,957	40,845
Contract liabilities	894	1,383	1,629
Other payables and accrued expenses	25,940	31,666	33,592
Lease liabilities	1,615	2,648	1,572
Income tax payable	1,316	1,180	–
Bank borrowings	3,500	10,000	29,700
Total current liabilities	58,617	84,834	107,338
Net current assets	39,328	27,747	20,230

Our net current assets decreased from RMB39.3 million as at 31 December 2024 to RMB27.7 million as at 31 December 2025, primarily due to (i) an increase in trade payables of RMB12.6 million, (ii) an increase in bank borrowings of RMB6.5 million and (iii) an increase in other payables and accrued expenses of RMB5.7 million. Our net current assets further decreased from RMB27.7 million as at 31 December 2025 to RMB20.2 million as at 30 June 2026, primarily due to an increase in bank borrowings of RMB29.7 million.

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Working Capital

Our Directors confirm that, taking into consideration the financial resources presently available to us, including banking facilities and other internal resources, and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements and for at least the next 12 months commencing from the date of this document.

Save as disclosed in this document, our Directors are not aware of any other factors that would have a material impact on our Group’s liquidity. Details of the funds necessary to meet our existing operations and to fund our future plans are set out in the section headed “Future Plans and [REDACTED]” in this document.

CAPITAL EXPENDITURES

Historical Capital Expenditures

Our Group’s capital expenditures have principally consisted of expenditures on acquisition of property, plant and equipment in our operations. The following table sets out our historical capital expenditures for the years indicated:

	Year ended 31 December		Six months ended
	2024	2025	30 June 2026
	RMB’000	RMB’000	RMB’000
Leasehold improvements	439	–	–
Machinery	1,047	845	188
Motor vehicles	108	–	1
Furniture and fixtures	16	29	53
Computer equipment	24	15	171
Construction Progress	5,238	1,973	–
Total	6,872	2,862	413

During the Track Record Period, our Group incurred capital expenditures of RMB6.9 million, RMB2.9 million and RMB0.4 million, respectively, the majority of which came from acquisition of machineries and equipment primarily used for our expansion of operations. Between 30 June 2026 and the Latest Practicable Date, we did not make any material capital expenditures.

Capital Expenditures

For the year ending 31 December 2026, we estimate that the capital expenditures will amount to approximately RMB0.5 million to RMB0.7 million, which will be primarily for the procurement of R&D software tools, computing servers and the automation of production lines for modules.

Our Group’s projected capital expenditures are subject to revision based upon any future changes in our business plan, market conditions, and economic and regulatory environment. See “Future Plans and [REDACTED]”.

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We expect to fund our capital expenditures principally through the [REDACTED] we receive from the [REDACTED], cash generated from our operating activities and proceeds from borrowings and notes. We believe that these sources of funding will be sufficient to finance our contractual commitments and capital expenditure needs for the next 12 months.

PROPERTY INTERESTS

Our Directors confirm that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 8.01 or Rules 8.05 to 8.35 of the GEM Listing Rules. As at the Latest Practicable Date, our property interests do not form part of our property activities and no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of our total assets.

CAPITAL COMMITMENTS

As at the end of the reporting periods during the Track Record Period, our Group had contractual commitments as follows:

	As at 31 December		As at
	2024	2025	30 June
	RMB'000	RMB'000	2026
			RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided	223	–	–
Total	223	–	–

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as at the dates indicated:

	As at 31 December		As at
	2024	2025	30 June
	RMB'000	RMB'000	2026
			RMB'000
Current			
Lease liabilities	1,615	2,648	1,572
Bank borrowings	3,500	10,000	29,700
Other payables and accrued expenses	25,940	31,666	33,592
Non-current			
Lease liabilities	2,650	1,353	1,282
Total	33,705	45,667	66,146

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As at 30 June 2026, being the latest practicable date for the purpose of indebtedness statement, we had unsecured short-term bank borrowings of RMB29.7 million, which were denominated in RMB, bore variable-rate interest rates ranging from 2.55% to 3.00% per annum, and were guaranteed by Mr. Fu, an executive director of the Company. Such guarantee(s) provided is expected to be fully released upon [REDACTED].

As at 30 June 2026, being the latest practicable date for the purpose of indebtedness statement, the lease liabilities were unsecured and unguaranteed.

Contingent liabilities

As at 30 June 2026, being the latest practicable date for the purpose of the indebtedness statement, our Group did not have any significant contingent liabilities or guarantees.

Disclaimer

As at 30 June 2026, being the latest practicable date for the purpose of the indebtedness statement, save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, our Group did not have any loan capital issued and outstanding or agreed to be issued, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees, material covenants, or other material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENT

As at the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

TRANSACTIONS WITH RELATED PARTIES

With respect to the related party transactions set forth in the Accountants’ Report in Appendix I to this document, our Directors confirm that these transactions were conducted on normal commercial terms or such terms that were no less favourable to our Group than those available to Independent Third Parties and were fair and reasonable and in the interest of our Shareholders as a whole.

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as at each of the dates indicated:

	Year ended 31 December		Six months ended 30 June 2026
	2024	2025	
Net Profit Margin (%) ⁽¹⁾	(0.1)	(1.4)	(1.1)
Return on equity (%) ⁽²⁾	(0.2)	(4.0)	(1.9)
Return on total assets (%) ⁽³⁾	(0.3)	(1.8)	(2.9)
	As at 31 December		As at 30 June 2026
	2024	2025	
Current ratio (<i>times</i>) ⁽⁴⁾	1.7	1.3	1.2
Quick ratio (<i>times</i>) ⁽⁵⁾	1.3	1.0	0.9
Gearing ratio (%) ⁽⁶⁾	10.3	20.1	55

Notes:

- (1) Net profit margin for 2024, 2025 and the six months ended 30 June 2026 was calculated by dividing the profit for the year/period by revenue for the respective year/period and multiplied by 100%.
- (2) Return on equity for 2024, 2025 and the six months ended 30 June 2026 was calculated by dividing the profit for the year/period by the total equity attributable to the Shareholders as at the end of the respective year/period and multiplied by 100%.
- (3) Return on total assets for 2024, 2025 and the six months ended 30 June 2026 was calculated by dividing the profit for the years/periods by the total assets for the respective year/period and multiplied by 100%.
- (4) Current ratio as at 31 December 2024 and 2025 and 30 June 2026 was calculated by dividing the total current assets by the total current liabilities as at the end of the respective year/period.
- (5) Quick ratio as at 31 December 2024 and 2025 and 30 June 2026 was calculated by dividing the total current assets less inventories by total current liabilities as at the end of the respective year/period.
- (6) Gearing ratio as at 31 December 2024 and 2025 and 30 June 2026 was calculated by dividing the total debt (comprising bank borrowings and lease liabilities) by total equity as at the end of the respective year/period and multiplied by 100%.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The major financial risks arising from our Group’s normal course of business include credit risk, liquidity risk and capital risk.

Details of the risk to which we are exposed are set out in Note 34 to our consolidated financial statements included in the Accountant’s Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors confirm that as at the Latest Practicable Date, there were no circumstances that would give rise to the disclosure requirements under Rules 17.15 to 17.21 of the GEM Listing Rules.

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[REDACTED]

We expect to incur a total of approximately RMB[REDACTED] million of [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the [REDACTED] of the indicative [REDACTED] range stated in this document and assuming that [REDACTED] is not exercised), accounting for [REDACTED]% of our [REDACTED]. Our [REDACTED] mainly represent (i) [REDACTED]-related expenses of approximately RMB[REDACTED] million, including [REDACTED] and other fees and expenses, and (ii) professional fees of approximately RMB[REDACTED] million, including expenses of legal advisers and reporting accountants, and (b) other fees and expenses of approximately RMB[REDACTED] million.

During the Track Record Period, we incurred RMB[REDACTED] million of [REDACTED], of which RMB[REDACTED] million was charged to our consolidated income statements, while RMB[REDACTED] million will be recognised as a deduction in equity upon completion of the [REDACTED]. The [REDACTED] above are the latest practicable estimate and are for reference only and the actual amount may differ from this estimate.

DIVIDENDS

We declared the dividends of approximately RMB2.8 million for 2024, which was paid in 2025. All these dividends declared during the Track Record Period have been paid as at the Latest Practicable Date.

Notwithstanding we recorded profits and declared dividends during the Track Record Period under PRC GAAP based on the then audited accounts of our Group in 2024, our historical financial information prepared in accordance with HKFRS recorded a loss for the year and accumulated losses in 2024 and 2025, primarily due to the provision made in relation to the social insurance and housing provident fund contributions in accordance with HKFRS. As a result, we do not expect to recommend the payment of any dividends in the foreseeable future until, among other things, our accumulated losses under HKFRS have been fully offset by profits generated in subsequent years.

Upon [REDACTED], the dividend distributions (if any) shall be determined in accordance with the Articles of Association with reference to the lower of the after-tax profits reflected in the financial statements prepared in accordance with PRC GAAP and those prepared in accordance with HKFRS, our capacity to declare and pay dividends will be constrained by the distributable profits available under both PRC GAAP and HKFRS, and the lower of the two amounts will form the basis for, and effectively cap, any dividend distribution.

The Articles also provides that when distributing after-tax profits for the year, we shall set aside 10% of its profits to be allocated to the statutory reserve fund. If the cumulative amount of the statutory reserve fund reaches 50% or more of our Company’s registered capital, no further allocation is required. If the statutory reserve fund is insufficient to make up for losses of previous years, the profits for the current year shall first be used to make up for the losses before allocations are set aside for the statutory reserve fund. After setting aside for the statutory reserve fund from the after-tax profits, we may also set aside a discretionary reserve fund upon a resolution of the shareholders’ meeting.

DISTRIBUTABLE RESERVES

As at 30 June 2026, our Company had no distributable reserves.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For our unaudited [REDACTED] adjusted net tangible assets, see “Unaudited [REDACTED] Financial Information” as set out in Appendix II to this document.

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RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We continue to research wireless communication solutions and launched two module models in July 2026, namely Ai-M64P-32S and Ra-20. The Ai-M64P-32S integrates an FPU and a DSP, enabling edge computing while maintaining the low power consumption required for consumer devices. Furthermore, its peripheral interfaces support multiple ports, allowing the model to accommodate a diverse range of IoT applications. Separately, the Ra-20 supports both Sub-GHz and 2.4GHz frequencies, enabling devices to combine long-range, low-power penetration with high-speed, globally compatible data transfer. We expect this continuous innovation and product iteration to drive our revenue growth.

Our Directors confirm that our business operations and business model have remained stable after the Track Record Period. Save as disclosed in this document, our Directors confirm that up to the date of this document, there has been no material adverse change in our Group’s financial and trading position since 30 June 2026 and there is no event since 30 June 2026 which would materially affect the information shown in the Accountant’s Report in Appendix I to this document.