
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 globally leading, fast-growing independent memory product enterprise, and have immense market potential in the AI era.

Global leadership: We are the world’s fifth largest and China’s second largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan. Our strong market position is rooted in our deep understanding of diverse customer needs across application scenarios. Leveraging these insights, we have built an integrated end-to-end platform encompassing four key technologies, including (i) controller chip design and development, (ii) firmware algorithm development, (iii) testing system development and (iv) storage medium characteristic analysis. This platform allows us to provide one-stop, customized memory products. Our memory products mainly include (i) embedded storage, (ii) SSDs, (iii) DRAM and (iv) mobile storage. In the global embedded storage market, we are the second largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan.

Fast growth: We were established in December 2018. In 2023, our revenue exceeded US\$1.0 billion. Since our establishment, we have focused on the applications of memory products, securing a leading position in the market. For example, for the consumer-grade application scenarios, in the smartphone field, we are the world’s largest independent memory product enterprise in terms of revenue in 2024, according to Frost & Sullivan. We have maintained deep relationship with prominent enterprises in consumer-grade application scenarios, including Xiaomi, Transsion, OPPO, Vivo, TCL and Xiaodu. We have developed competitive strengths in the consumer-grade application scenarios, including (i) deep understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. These competitive strengths allow us to replicate our success in diverse application scenarios. We began to provide memory products for automotive-grade application scenarios in 2023 and successfully entered into the supply chains of Tier 1 suppliers for automotive manufacturers. We expect to begin mass production of memory products used in enterprise-grade application scenarios by 2026.

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AI opportunities: The AI technology is entering a pivotal phase of accelerated adoption. According to Frost & Sullivan, the total data generated globally in 2024 was 200ZB. This surge in data generation has been a key driver of rapid growth in the semiconductor market. The core infrastructure of AI technology comprises (i) storage power, (ii) computing power and (iii) interconnect power. Storage power forms the cornerstone for managing, storing and orchestrating the vast datasets essential for AI training. As the cornerstone of storage power, memory products play a decisive role in determining the deployment efficiency, operational reliability and scalability of AI technology. We have positioned ourselves at the forefront of AI-driven innovation. By leveraging our customer network, we will continue to expand the application scenarios of our memory products and connect to more customers in the AI era.

The following chart sets out our key achievements:



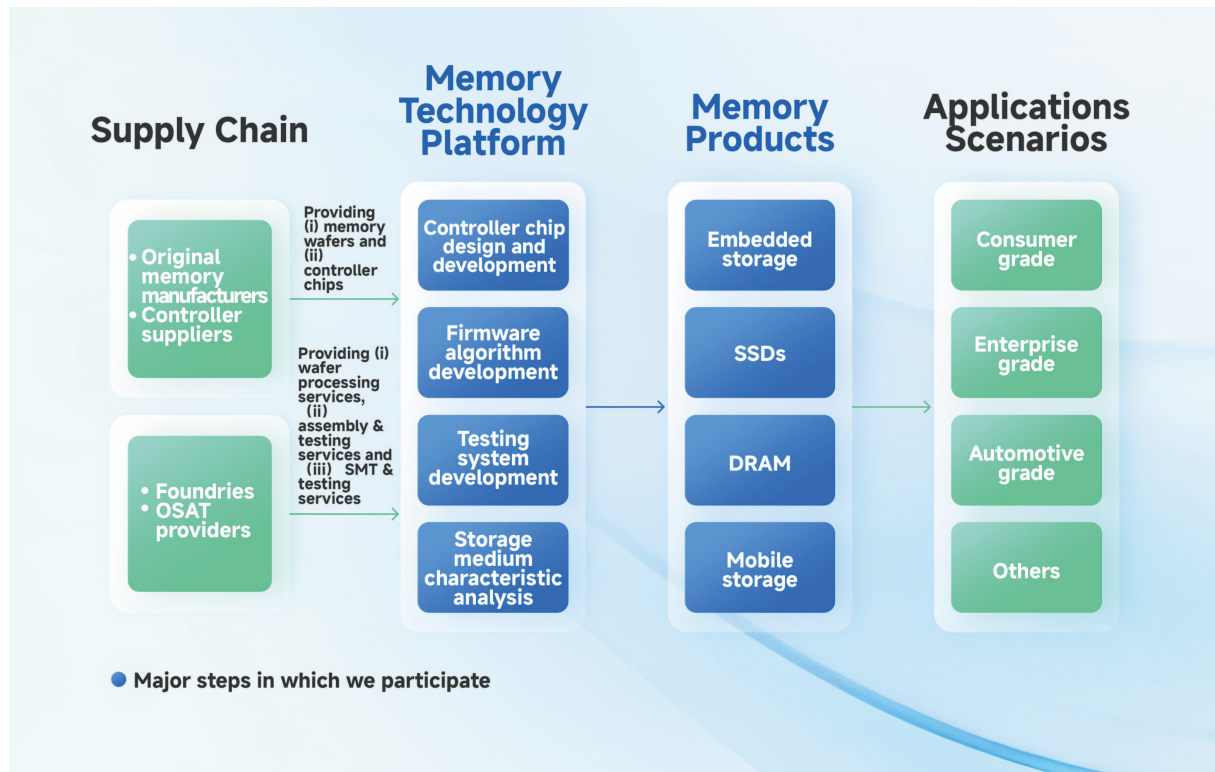
Notes:

- (1) In terms of revenue in 2024, according to Frost & Sullivan
- (2) According to Frost & Sullivan
- (3) We are the only independent memory product enterprise recognized as the “China’s Unicorn Enterprise” in 2024, according to Frost & Sullivan
- (4) We are one of the few independent memory product enterprises in China with the ability to independently design, develop and commercialize controller chips, according to Frost & Sullivan

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- (5) In terms of accumulative R&D expenses during the Track Record Period
- (6) As of September 30, 2025
- (7) In terms of proportion of R&D personnel in total employees as of September 30, 2025
- (8) Return on equity equals profits for the year or period divided by average balance of total equity at the beginning and the end of that year or period multiplied by 100%

The following diagram illustrates our role within the industrial chain of memory products:



See “Business — Overview — Who We Are” for details of the major steps in which we participate.

Our Customer Base and Supply Chain

Customer structure: Our customer base primarily comprises industry-leading enterprises. Our customer portfolio is concentrated on major application fields for memory products, such as smartphones, tablets, PCs, smart imaging devices, and in-vehicle central control systems. According to Frost & Sullivan, these fields not only serve as critical drivers of the digital economy but also represent key areas underpinning the rapid expansion of AI-driven demands. These customers have large-scale, stable demand and a consistent need for technological innovation, which propels the ongoing advancement and iteration of our products to address their diverse and evolving requirements.

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Customer collaboration: We place emphasis on deep collaboration with leading customers. Leveraging our expertise in key technologies, we collaborate with customers to align with their technical requirements and conduct joint validation. This enables us to optimize memory products across dimensions such as capacity, speed, and power consumption, tailored to the specific needs of various application scenarios. For example, we have established joint validation laboratories in collaboration with smartphone providers, allowing us to accurately anticipate industry trends in memory product technology and secure first-mover advantages in the market.

Supply chain support: We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller suppliers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE, PTN, and HT-Tech for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity in advance, ensuring the scalability and reliability necessary to fulfill large-scale orders. This robust supply chain foundation strengthens our ability to integrate resources seamlessly and support the sustainable growth of our ecosystem.

Our Market Opportunities

Driving Force of AI Technology

AI technology has transitioned from the exploratory concept phase to large-scale commercialization, increasingly achieving a closed-loop business model. The memory product industry is experiencing transformative advancements across three critical dimensions, namely, capacity, performance and reliability. According to Frost & Sullivan, the global memory product market size is expected to grow from US\$263.3 billion in 2025 to US\$407.1 billion in 2029, representing a CAGR of 11.5%. In terms of key application scenarios for memory products:

- ***Consumer-grade application scenarios:*** AI-powered upgrades in consumer applications are increasingly aligned with user-centric demands. This shift encompasses the rapid iteration of AI smartphones, AI tablets and AI PCs and the expansion of AI capabilities in intelligent imaging and wearable devices. According to Frost & Sullivan, consumer grade was the largest group of application scenarios in the global memory product market in 2024. The global market size of consumer-grade application scenarios was US\$59.8 billion in 2024 and is expected to further grow from 2025 to 2029.
- ***Enterprise-grade application scenarios:*** With the exponential expansion of large model training, cloud computing services, and industry data, storage power has emerged as a critical bottleneck, following computing power, driving unprecedented growth in storage demand. According to Frost & Sullivan, the market size of enterprise-grade application

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scenario is expected to grow from US\$86.0 billion in 2025 to US\$145.8 billion in 2029, representing a CAGR of 14.1%. Furthermore, According to Frost & Sullivan, enterprise grade was the second largest group of application scenarios in the global memory product market in 2024.

- ***Automotive-grade application scenarios:*** Memory products used in automotive-grade application scenarios shall adhere to rigorous standards for temperature tolerance, shock resistance and reliability, and the mass production requires complex certification processes. The automotive-grade application scenarios accelerated transition towards electrification, intelligence and IoT. According to Frost & Sullivan, the market size of automotive-grade application scenarios is expected to grow from US\$50.5 billion in 2025 to US\$105.8 billion in 2029, representing a CAGR of 20.3%. Among all major application scenarios of memory products, automotive-grade application scenarios are expected to demonstrate the fastest growth rate from 2025 to 2029.

AI-Driven “Super Cycle”

According to Frost & Sullivan, the semiconductor industry is entering a strong upward cycle driven by both AI-driven demand changes and supply structure optimization. The global memory chip industry has been gradually evolving into an AI-driven “super cycle” in 2025. This strong upward trend is clear and is expected to break the traditional three-to-four years cycle pattern. According to Frost & Sullivan, in the second half of 2025, pricing performance was robust, with both DRAM and embedded storage showing an upward trend, and monthly increases exceeding 30% for certain DRAM. Overall profit of the global memory product market is expected to continuously improve.

OUR STRENGTHS AND STRATEGIES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- (i) Globally leading, fast-growing independent memory product enterprise which has immense market potential in the AI era.
- (ii) Continuous technological innovation.
- (iii) Product portfolio with strong performance and designed for diverse application scenario.
- (iv) Full-chain supplier-and-customer ecosystem covering industry-leading enterprises.
- (v) Experienced and visionary management team.

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We intend to implement the following strategies:

- (i) Embracing the AI era, fortifying technology barriers.
- (ii) Continuously developing memory products, expanding diverse application scenarios.
- (iii) Deepening our global presence.
- (iv) Building multi-level talent development framework.

OUR PRODUCTS

Our products primarily include the following:

- ***Embedded storage:*** Embedded storage is our core product. Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup encompassing eMMC, UFS, ePOP and uMCP. Our embedded storage products can be used in fields such as smartphones, tablets, AI cameras, drones, AI glasses, smart watches, cameras, in-vehicle central control systems, intelligent cockpit systems and T-boxes.
- ***SSDs:*** SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives. Across SATA and PCIe product lines, we support multiple interface generations such as SATA 3.0, PCIe3.0 and PCIe4.0. The application scenario coverage of our SSDs is extending from consumer grade to automotive grade and enterprise grade. Our SSDs products can be used in fields such as PCs, data centers and in-vehicle central control systems.
- ***DRAM:*** DRAM refers to a type of volatile memory used in computers and other devices to store data that is actively being used or processed, requiring periodic refreshing to maintain the stored information. Our DRAM portfolio covers multiple product categories, including DDR4 and DDR5 devices, LPDDR4X and LPDDR5X low-power memory, as well as DDR4 and DDR5 DRAM modules. Our DRAM products can be used in fields such as smartphones and PCs.
- ***Mobile Storage:*** Mobile storage refers to portable storage devices. Our mobile storage products include USB flash drives and microSD memory cards.

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- **Memory IC:** Our memory IC products mainly include (i) NAND Flash wafer and dies, and (ii) DRAM wafer and dies. Our memory IC are used to produce embedded storage, SSDs, DRAM and mobile storage.

OUR MEMORY TECHNOLOGY PLATFORM

Our memory technology platform primarily include the following key technologies:

- **Controller chip design and development.** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a solid technological moat and a key source of our competitive advantage in the market.

We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market, and have achieved a comprehensive strategic coverage in controller chips. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had seven models of self-designed and developed controller chips at different R&D stages, including sample delivery, tape-out and back-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline. Specifically:

- **Sample delivery phase:** controller chips for (i) UFS2.2 and (ii) eMMC5.1;
- **Tape-out phase:** controller chips for (i) USB3.2, (ii) UFS4.1 and (iii) PCIe4.0 SSDs; and
- **Back-end design phase:** controller chips for (i) PCIe5.0 SSDs and (ii) low-power UFS2.2.

As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

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- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms, enabling precise scheduling and optimization of storage medium based on hardware capabilities. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption, achieving an optimal balance between high performance and low power usage to deliver a smoother and more enduring user experience.
- ***Testing system development.*** We have established a comprehensive, self-developed testing development spanning from the chip level to the system level. At the chip level, leveraging our self-developed MBIST/LBIST frameworks, we conduct automated unit testing, simulated aging and extreme-condition verification. At the system level, we deploy full-platform stress testing and extensive compatibility tests to build a robust quality assurance barrier. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability. In addition, we have developed a fully autonomous mass-production testing system that employs highly automated testing programs, simulation-based test methodologies and advanced diagnostic tools to rapidly complete comprehensive assessments of product performance, reliability, compatibility and aging behavior.
- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. By thoroughly understanding the characteristics of media from various suppliers, we can accurately match customers with the most suitable components for their application scenarios, delivering optimized and cost-effective products. This research also forms the technical foundation for firmware algorithm development and controller chip design and development, supporting precise sorting and grading of components, maximizing medium performance and predicting and mitigating potential risks associated with medium usage. As a result, this capability ensures exceptional reliability and long-term stability of our products throughout their entire lifecycle.

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OUR CUSTOMERS AND SUPPLIERS

Our sales channels consist of both direct sales and distributorship. During the Track Record Period, the majority of our products were sold through direct sales, while the rest were sold through distributorship. In 2023 and 2024, and the nine months ended September 30, 2025, revenue generated from our five largest customers amounted to RMB5,210.6 million, RMB5,740.0 million and RMB3,883.4 million, respectively, accounting for 59.4%, 65.7% and 50.0% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 20.9%, 33.4% and 19.2% of our total revenue, respectively.

Our major suppliers primarily consisted of raw material suppliers and service providers during the Track Record Period. For the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million and RMB4,068.4 million, respectively, representing 43.5%, 49.4% and 51.5% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 12.6%, 11.6% and 11.6% of our total purchases for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

COMPETITION

The global memory product industry is a tremendous market space. According to Frost & Sullivan, the global memory product market size was US\$192.8 billion in 2024. Benefiting from the upward momentum of the semiconductor super-cycle, the industry’s growth trajectory shows strong sustainability and certainty. The market size is expected to increase continuously from US\$263.3 billion in 2025 to US\$407.1 billion in 2029, with a CAGR of 11.5% during the period.

We primarily compete with global and local independent memory product enterprises. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. For more information on the competitive landscape of our industry, see “Industry Overview.”

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
				<i>(unaudited)</i>		<i>(unaudited)</i>		
Revenue	8,780,699	100.0	8,718,412	100.0	6,757,918	100.0	7,744,176	100.0
Cost of sales	(8,363,547)	(95.2)	(7,318,805)	(83.9)	(5,154,143)	(76.3)	(6,730,167)	(86.9)
Gross profit	417,152	4.8	1,399,607	16.1	1,603,775	23.7	1,014,009	13.1
Other income and gains . . .	51,585	0.6	38,926	0.4	9,298	0.1	17,772	0.2
Selling and distribution expenses	(41,924)	(0.5)	(52,916)	(0.6)	(37,831)	(0.6)	(46,444)	(0.6)
Administrative expenses . . .	(161,960)	(1.9)	(148,063)	(1.7)	(100,474)	(1.5)	(130,350)	(1.6)
Research and development expenses	(282,563)	(3.2)	(392,182)	(4.5)	(304,928)	(4.5)	(354,939)	(4.5)
Impairment losses on financial assets, net	(19,938)	(0.2)	(13,868)	(0.2)	(6,664)	(0.1)	7,215	0.1
Other expenses	(8,480)	(0.1)	(96,658)	(1.1)	(138,175)	(2.0)	(20,461)	(0.3)
Finance costs	(72,342)	(0.9)	(154,607)	(1.8)	(110,936)	(1.6)	(106,068)	(1.4)
Share of profits and losses of an associate	(13,059)	(0.1)	(11,654)	(0.1)	(7,132)	(0.1)	(2,071)	(0.1)
(Loss)/profit before tax . . .	(131,529)	(1.5)	568,585	6.5	906,933	13.4	378,663	4.9
Income tax credit/(expense) .	14,079	0.2	(85,712)	(1.0)	(135,369)	(2.0)	(27,992)	(0.4)
(Loss)/profit for the year/period	(117,450)	(1.3)	482,873	5.5	771,564	11.4	350,671	4.5

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Revenue

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

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Embedded storage	3,732,376	42.5	5,687,730	65.2	4,548,707	67.3	3,576,349 ⁽¹⁾	46.2
SSDs.	1,932,012	22.0	776,110	8.9	642,142	9.5	716,094	9.2
DRAM.	112,087	1.3	1,062,748	12.2	646,446	9.6	1,979,926	25.6
Mobile storage	321,041	3.7	227,486	2.6	174,270	2.6	238,579	3.1
Memory IC	2,360,469	26.9	784,166	9.0	583,433	8.6	1,187,299	15.3
Others ⁽²⁾	322,714	3.6	180,172	2.1	162,920	2.4	45,929	0.6
Total.	8,780,699	100.0	8,718,412	100.0	6,757,918	100.0	7,744,176	100.0

Notes:

- (1) Our revenue from embedded storage decreased by 21.4% from RMB4,548.7 million in the nine months ended September 30, 2024 to RMB3,576.3 million in the nine months ended September 30, 2025, primarily due to a 56.8% decrease in the average selling price of our embedded storage from RMB0.44 per GB in the nine months ended September 30, 2024 to RMB0.19 per GB in the nine months ended September 30, 2025. Such decrease was primarily due to the revenue recognition approach under the Customer Supply Arrangement starting from April 2024. See “Financial Information — Results of Operations — Revenue — Revenue by Product” for details.
- (2) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

The following table sets forth the sales volume in GB of our main products during the Track Record Period:

	Year ended December 31,		Nine months ended	
	September 30,		September 30,	
	2023	2024	2024	2025
	<i>(million GB)</i>	<i>(million GB)</i>	<i>(million GB)</i>	<i>(million GB)</i>
Embedded storage	12,410.7	15,462.7	10,389.9	18,547.4
SSDs.	9,458.7	2,366.0	1,869.2	2,480.6
DRAM	11.0	71.8	40.7	154.9
Mobile storage	1,285.0	788.1	574.2	966.1
Memory IC	12,877.6	2,387.4	1,749.4	3,258.8

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The following table sets forth the average selling price per GB of our main products during the Track Record Period:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>(RMB per GB)</i>	<i>(RMB per GB)</i>	<i>(RMB per GB)</i>	<i>(RMB per GB)</i>
Embedded storage	0.30	0.37	0.44	0.19
SSDs	0.20	0.33	0.34	0.29
DRAM	10.20	14.80	15.88	12.78
Mobile storage	0.25	0.29	0.30	0.25
Memory IC	0.18	0.33	0.33	0.36

Our revenue increased by 14.6% from RMB6,757.9 million in the nine months ended September 30, 2024 to RMB7,744.2 million in the nine months ended September 30, 2025, primarily due to an increase in revenue from our DRAM. Such increase was primarily due to the significant increase in the sales volume of our DRAM, primarily because our DRAM products were launched in recent years, and an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process.

Our revenue remained relatively stable at RMB8,780.7 million in 2023 and RMB8,718.4 million in 2024.

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Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Gross profit		Gross profit		Gross profit		Gross profit	
	Gross profit	margin	Gross profit	margin	Gross profit	margin	Gross profit	margin
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
					<i>(unaudited)</i>		<i>(unaudited)</i>	
Embedded storage	25,724	0.7	1,175,670	20.7	1,285,877	28.3	218,884	6.1
SSDs.	122,792	6.4	79,116	10.2	94,217	14.7	171,105	23.9
DRAM	(22,480)	(20.1)	(93,623)	(8.8)	(9,337)	(1.4)	307,818	15.5
Mobile storage	47,786	14.9	75,690	33.3	69,684	40.0	99,727	41.8
Memory IC	130,093	5.5	145,200	18.5	152,606	26.2	205,462	17.3
Others ⁽¹⁾	113,237	35.1	17,554	9.7	10,728	6.6	11,013	24.0
Total.	417,152	4.8	1,399,607	16.1	1,603,775	23.7	1,014,009	13.1

Note:

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

Our gross profit margin decreased from 23.7% in the nine months ended September 30, 2024 to 13.1% in the nine months ended September 30, 2025, primarily due to a decrease in the gross profit margin of embedded storage. Such decrease was primarily due to (i) the fluctuations in market price of embedded storage and (ii) the reduction in the gross profit margin of embedded storage under the Customer Supply Arrangement as a result of our negotiations with the relevant customer.

Our gross profit margin increased from 4.8% in 2023 to 16.1% in 2024, primarily due to

- an increase in the gross profit margin of embedded storage, primarily due to the increase in the average selling price of the embedded storage, as a result of an increase in the market price of embedded storage, according to Frost and Sullivan; and
- a decrease in the gross loss margin of DRAM, primarily due to an increase in the average selling price of the DRAM, as a result of the launch of our new DDR5 product, which has a higher average selling price and lower gross loss margin.

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Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted profit/(loss) for the period and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted profit/(loss) for the period and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

The following table presents our non-IFRS financial measures for the years or periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Reconciliation of profit/(loss) for the year to adjusted profit/(loss) (non-IFRS measures) and adjusted EBITDA (non-IFRS measures)				
(Loss)/Profit for the year/period . . .	(117,450)	482,873	771,564	350,671
Add:				
Share-based payment expenses	85,765	67,742	46,193	54,238
Adjusted net (loss)/profit (non-IFRS measures)	(31,685)	550,615	817,757	404,909
Add:				
Depreciation and amortization	125,556	161,911	120,459	126,429
Finance costs	72,342	154,607	110,936	106,068
Income tax expenses/(credit)	(14,079)	85,712	135,369	27,992
Adjusted EBITDA (non-IFRS measures)	152,134	952,845	1,184,521	665,398

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Summary of Selected Items of Financial Positions

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Non-current Assets	1,100,973	975,372	897,419
Current Assets	4,767,861	6,654,798	8,097,233
Total Assets	5,868,834	7,630,170	8,994,652
Non-current Liabilities	119,396	123,716	700,431
Current Liabilities	3,755,904	4,915,795	4,976,059
Total Liabilities	3,875,300	5,039,511	5,676,490
Net Current Assets	1,011,957	1,739,003	3,121,174
Net Assets	1,993,534	2,590,659	3,318,162
Share capital	442,650	449,354	467,814
Reserves	1,550,884	2,141,305	2,850,348
Total Equity	1,993,534	2,590,659	3,318,162

Our net current assets increased from RMB1,012.0 million as of December 31, 2023 to RMB1,739.0 million as of December 31, 2024, primarily due to (i) an increase in our inventories of RMB1,401.6 million, (ii) an increase in our trade receivable of RMB312.2 million and (iii) a decrease in our trade payables of RMB279.4 million, partially offset by an increase of our interest-bearing bank borrowings of RMB1,379.7 million.

Our net current assets increased from RMB1,739.0 million as of December 31, 2024 to RMB3,121.2 million as of September 30, 2025, primarily due to an increase in our inventories of RMB1,197.7 million.

Our net assets increased from RMB1,993.5 million as of December 31, 2023 to RMB2,590.7 million as of December 31, 2024, primarily due to (i) an increase in our profit for the year of RMB482.9 million, (ii) an increase in share-based payments of RMB67.7 million and (iii) an increase in our issue of new shares of RMB54.2 million.

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Our net assets increased from RMB2,590.7 million as of December 31, 2024 to RMB3,318.2 million as of September 30, 2025, primarily due to (i) an increase in our profit for the period of RMB350.7 million and (ii) an increase in our issue of shares of RMB338.5 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information during the Track Record Period:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i> <i>(unaudited)</i>
Net cash flows used in operating activities	(1,048,244)	(1,122,025)	(1,227,791)	(38,839)
Net cash flows used in investing activities	(8,370)	(127,643)	(106,942)	(79,173)
Net cash flows from financing activities	1,245,558	1,269,111	1,512,659	487,718
Net increase in cash and cash equivalents	188,944	19,443	177,926	369,706
Cash and cash equivalents at the beginning of the year	91,148	254,714	254,714	275,790
Cash and cash equivalents at the end of the year	254,714	275,790	412,083	610,300

In the nine months ended September 30, 2025, we had net cash flows used in operating activities of RMB38.8 million, which primarily consisted of profit before tax of RMB378.7 million, adjusted for (i) non-cash and non-operating items such as finance cost of RMB106.1 million, amortization of other intangible assets of RMB74.6 million and equity-settled share-based payments of RMB54.2 million, and (ii) the effects of movement in working capital such as increase in inventories of RMB1,215.5 million, increase in trade payables of RMB376.8 million and decrease in prepayments, other receivables and other assets of RMB128.8 million.

In 2024, we had net cash flows used in operating activities of RMB1,122.0 million, which primarily consisted of profit before tax of RMB568.6 million, adjusted for (i) non-cash and non-operating items such as write-down of inventories to net realizable value of RMB499.0 million, finance costs of RMB154.6 million and amortization of other intangible assets of

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RMB104.9 million, and (ii) the effects of movement in working capital such as increase in inventories of RMB1,900.6 million, increase in trade receivables of RMB326.1 million and decrease in trade payables of RMB279.4 million.

In 2023, we had net cash flows used in operating activities of RMB1,048.2 million, which primarily consisted of loss before tax of RMB131.5 million, adjusted for (i) non-cash and non-operating items such as write-down of inventories to net realizable value of RMB93.9 million, equity-settled share-based payments of RMB85.8 million, amortization of intangible assets of RMB79.9 million and finance costs of RMB72.3 million, and (ii) the effects of movement in working capital such as increase in trade receivables of RMB1,375.3 million, increase in trade payables of RMB589.8 million and increase in inventories of RMB547.5 million.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of or for the year ended		As of or for the
	December 31,		Nine months
	2023	2024	ended September 30, 2025
Net profit margin ⁽¹⁾	(1.3)%	5.5%	4.5%
Current ratio ⁽²⁾	1.3	1.4	1.6
Adjusted EBITDA ('000) (non-IFRS measure)	152,134	952,845	665,398
Return on equity ⁽³⁾	(6.4)%	21.1%	11.9%

Notes:

- (1) Net profit margin equals net profit divided by revenue for the period multiplied by 100%.
- (2) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (3) Return on equity equals profits for the year or period divided by average balance of total equity at the beginning and the end of that year or period multiplied by 100%.

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RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to conducting business in jurisdictions where we operate and (iii) risks relating to the [REDACTED]. These risks include, among others, the following:

- If we fail to continuously develop and innovate our products to meet customers' evolving needs of functionality, performance, reliability, design and security, we may not be able to retain existing customers, attract new customers or increase sales.
- The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected.
- New scientific and technological outcomes or trends could make our products uncompetitive and obsolete.
- The markets in which we compete have historically been cyclical and have experienced downturns with declines in average selling prices that have materially adversely affected, and may in the future materially adversely affect, our business, results of operations and financial condition.
- If we fail to manage our growth and expansion effectively, our business, financial condition and results of operations may be materially and adversely affected.
- If we fail to continuously manage the introductions of new products, we may not remain competitive or be able to stimulate customer demand.
- We may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such intellectual property rights protection may not be sufficiently broad.
- If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products involved.

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- We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.
- If we are unable to retain our senior management team, key employees, and qualified staff, or attract and compete for talent, our business, financial condition, and results of operations could be adversely affected.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that would have a material adverse effect on our business, results of operations and financial condition. For further details, see “Business — Legal Proceedings and Compliance.” For more information about the laws and regulations related to our business, see “Regulatory Overview.”

OUR CONTROLLING SHAREHOLDERS

Mr. Wu, our executive Director, chairperson of the Board and general manager, through (i) Xinruilai, which is owned as to approximately 71.76% by Mr. Wu; (ii) Shenzhen Jubang, which is owned as to approximately 0.22% by Mr. Wu as the general and executive partner and as to approximately 22.22% by Ms. Wu Jiamin, Mr. Wu’s daughter and an executive Director, as a limited partner; and (iii) Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan, in each of which Mr. Wu serves as the general and executive partner, was entitled to exercise approximately 36.68% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will be entitled to control approximately [REDACTED]% of the voting rights in our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme).

Accordingly, Mr. Wu, Ms. Wu Jiamin, Xinruilai, Shenzhen Jubang, Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan will together constitute a group of our Controlling Shareholders under the Listing Rules. For more details about our corporate structure and the shareholding of our Controlling Shareholders, please refer to the paragraphs headed “History, Development and Corporate Structure — Corporate Structure” and the section headed “Relationship with Our Controlling Shareholders” in this document.

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PRE-[REDACTED] INVESTMENTS

We have engaged in the Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors, including, among others, Kunqiao Capital, Juyuan Xinchuang, Shenzhen HTI and Hefei Industry Investment. For further details of the identities and background of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, please refer to the paragraphs headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document.

CONTINUING CONNECTED TRANSACTION

We have entered into, and are expected to continue with, certain transaction after the [REDACTED] which will constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange [has granted] us, a waiver in relation to certain continuing connected transaction between us and our connected person under Chapter 14A of the Listing Rules. For more details about the continuing connected transaction and the waiver, please refer to the section headed “Connected Transaction” in this document.

PRE-[REDACTED] SHARE OPTION SCHEME

We adopted the Pre-[REDACTED] Share Option Scheme on December 18, 2025. For details, please refer to the paragraphs headed “Statutory and General Information — Employee Incentive Plans — Pre-[REDACTED] Share Option Scheme” set out in Appendix VI to this document. As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 6,100,000 Shares, representing approximately [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme). Assuming full exercise of all outstanding options granted under the Pre-[REDACTED] Share Option Scheme and the [REDACTED] is not exercised, the issued and outstanding shareholding of our Shareholders immediately following completion of the [REDACTED] will be diluted by approximately [REDACTED]%.

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[REDACTED]

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits refer to our after-tax profits, after making up for previous years’ losses (if any) and appropriating statutory reserves (we are required to set aside 10% of the after-tax profits as statutory reserves, and the appropriation may be suspended when the accumulated amount of statutory reserves reaches 50% of the registered capital) and other reserves as required. Pursuant to our Articles of Association, our Board may formulate profit distribution proposals in the future after taking into account our results of operations, financial condition, cash requirements and availability, and other

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factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders at the general meeting of shareholders.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] and [REDACTED] and estimated [REDACTED] paid and payable by us in the [REDACTED], assuming no [REDACTED] is exercised, no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme and an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this document). We intend to use the [REDACTED] from the [REDACTED] for the purposes set forth below:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for the development and commercialization of memory products;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for development and iteration of the controller chips;
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our wafer and controller chip validation and testing capabilities; and
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for general corporate purposes.

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED], such as [REDACTED] and [REDACTED], and (ii) [REDACTED], comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme) for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately of [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED], we expect to pay [REDACTED] of HK\$[REDACTED], professional fees for our legal advisors and Reporting Accountants of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. An estimated amount of HK\$[REDACTED] for our [REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$[REDACTED] is expected to be recognized directly as a

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deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] in 2023 and 2024. We recognized [REDACTED] of RMB[REDACTED] in the nine months ended September 30, 2025 in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest consolidated financial statements, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.