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The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make 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, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this document.

OVERVIEW

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

Our revenue remained relatively stable at RMB8,780.7 million in 2023 and RMB8,718.4 million in 2024, and 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. Our gross profit increased significantly from RMB417.2 million in 2023 to RMB1,399.6 million in 2024, and decreased by 36.8% from RMB1,603.8 million in the nine months ended September 30, 2024 to RMB1,014.0 million in the nine months ended September 30, 2025.

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KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Downstream Demand for Memory Products

Our business performance is affected by the market size and customer demand for memory products. The global memory product market size has grown in general in recent years. According to Frost & Sullivan, the global memory product market size grew from US\$149.9 billion in 2020 to US\$192.8 billion in 2024, representing a CAGR of 6.5%, and the market is expected to further grow from US\$263.3 billion in 2025 to US\$407.1 billion in 2029, with a CAGR of 11.5% from 2025 to 2029.

According to Frost & Sullivan, the consumer-grade was the largest group of application scenarios of the global memory product industry in 2024 in terms of revenue. The consumer-grade application scenarios primarily include smartphones, tablets, PCs, smart imaging devices, wearable devices, robotics and data transfer and backup. Take smartphones as an example, the global smartphone market size reached 1.3 billion in 2024 in terms of sales volume. The large market size of the consumer-grade application scenarios provide space for business growth. In particular, compared to original memory manufacturers, independent memory product enterprises are generally better positioned to address the diverse and long-tail demands of the market, with growth opportunities mainly in consumer-grade application scenarios, according to Frost & Sullivan.

Furthermore, our results of operations are subject to industry cycles in the global memory product market, which directly influence our pricing, margins, and revenue through recurring periods of price volatility and supply-demand imbalances. In upward cycles marked by rapid demand growth and proactive procurement, we can experience demand surges that support higher prices and revenue, positively affecting our financial performance. Conversely, in adjustment phases triggered by weakened demand, production capacity expansions, and inventory buildup, we may face price declines that negatively impact our margins and profitability.

In addition, one of the key growth driver of the memory product industry is the AI technology. As the core infrastructure for AI data storage and supply, the performance of storage capacity directly impacts the efficiency of AI training and implementation outcomes. The surge in data demand driven by AI has already accelerated the rapid growth of the memory product market. Further, aside from the consumer-grade application scenarios, the enterprise-grade application scenarios and the automotive-grade application scenarios are also expected to contribute to the growth of the global memory product market, according to Frost & Sullivan.

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Our Ability to Effectively Manage Our Cost of Sales

Our profitability to a large extent depends on our ability to manage cost of sales. In 2023 and 2024, and the nine months ended September 30, 2025, our cost of sales was RMB8,363.5 million, RMB7,318.8 million and RMB6,730.2 million, respectively, representing 95.2%, 83.9% and 86.9% of our total revenue for the respective periods.

The raw material costs were the largest component of our cost of sales during the Track Record Period. In 2023 and 2024, and the nine months ended September 30, 2025, our raw material costs represented 90.3%, 88.9% and 85.0% of our total cost of sales, respectively. During the Track Record Period, our raw material costs primarily included costs of memory wafers and controller chips. The market price of wafers fluctuated during the Track Record Period. In addition, we have a relatively high concentration rate regarding the procurement of raw material 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.

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 TSMC and 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.

Technical Innovation and Investment in Research and Development

Our operating results depend significantly on our ability to adapt to and effectively utilize the latest technological advancements. Staying at the forefront of innovation is critical to maintaining our competitiveness and meeting evolving market demands. Our ability to continue our R&D activities, develop new technologies, design new products and enhance existing products is crucial to our market success. Therefore, we continue to invest in technology development and innovation to reinforce our competitive strengths against our peers.

We had been committed to the research and development of our products during the Track Record Period. In 2023, 2024 and the nine months ended September 30, 2025, our R&D expense was RMB282.6 million, RMB392.2 million and RMB354.9 million, respectively. The number of

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our R&D staff continuously increased during the Track Record Period. As of December 31, 2023 and 2024, and September 30, 2025, our research and development team consisted of 472, 760 and 856 members, representing 60.4%, 66.6% and 65.2% of our total employees.

Price of Our Memory Products

During the Track Record Period, the average selling price of our memory products generally increased from 2023 to 2024, and decreased from the nine months ended September 30, 2024 to the nine months ended September 30, 2025. The pricing of our products directly affects our revenue, gross profit margin and results of operations.

The pricing of our products to a large extent depends on the market price. During the Track Record Period, the market price of memory products fluctuates. For example, the average selling price of our embedded storage, SSDs, DRAM and mobile storage have decreased from the nine months ended September 30, 2024 to the nine months ended September 30, 2025, primarily due to fluctuation in the market price of these products, according to Frost & Sullivan.

Product Mix

Our ability to offer a comprehensive portfolio of memory products is one of the primary factors influencing our financial condition and results of operations. Our future success depends on our ability to anticipate industry trends and develop products with high-performance that meet the evolving demand of downstream customers in various application scenarios.

During the Track Record Period, we primarily derived our revenue from the sale of (i) embedded storage, (ii) SSDs, (iii) DRAM, (iv) mobile storage and (v) memory IC. During the Track Record Period, our revenue and gross profit margin was affected by the changes in product mix:

- **Revenue.** Among our product mix, the average selling price of DRAM are relatively high. As a result, as the sales volume of DRAM increased as a result of the bulk purchases from our major customers after completing their evaluation process, our DRAM contributed an increasingly high revenue proportion in our total revenue. The revenue proportion of our DRAM increased from 1.3% in 2023 to 12.2% in 2024, and further increased from 9.6% in the nine months ended September 30, 2024 to 25.6% in the nine months ended September 30, 2025.
- **Gross profit margin.** Our total gross profit margin may be affected by the gross profit margin of our different products. During the Track Record Period, as the revenue proportion of our products changes, our gross profit margin was also affected.

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We aim to further enrich our product portfolio and maintain a strong focus on high-margin product categories. By continuously refining our product mix and leveraging technological innovation, we are committed to sustaining robust financial performance and driving long-term growth. However, fluctuations in product demand, shifts in market dynamics and evolving competitive pressures may impact our financial performance.

BASIS OF PRESENTATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 3 to the Accountants’ Report in Appendix I to this document.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

We generate revenue primarily from (i) embedded storage, (ii) SSDs, (iii) DRAM, (iv) mobile storage and (v) memory IC.

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Cost of Sales

Our cost of sales consists of (i) raw materials, (ii) outsourced services and (iii) others.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

Other Income and Gains

Our other income and gains consist of (i) bank interest income, (ii) investment income from financial assets at fair value through profit or loss, (iii) government grants, (iv) foreign exchange gains, net, (v) gain on deemed disposal of investment in an associate, and (vi) others.

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) employee compensation, (ii) insurance expenses, (iii) share-based payment compensation, (iv) advertising and promotion fees, (v) travel and hospitality fees and (vi) others.

Administrative Expenses

Our administrative expenses consist of (i) employee compensation, (ii) share-based payment compensation, (iii) depreciation and amortization, (iv) taxes and surcharges, (v) [REDACTED], (vi) lease payment and utilities (vii) consulting and professional service fees, and (viii) others.

Research and Development Expenses

Our research and development expenses consist of (i) employee compensation, (ii) depreciation and amortization, (iii) technical service fees, (iv) share-based payment compensation and (v) others.

Other Expenses

Our other expenses mainly comprise (i) impairment of goodwill, (ii) impairment of other intangible assets, (iii) foreign exchange losses and (iv) others.

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Finance Costs

Our finance costs consist of (i) interest on bank loans, (ii) interest on other loans, (iii) interest on lease liabilities, (iv) interest on redemption liabilities on ordinary shares and (v) other finance cost.

Share of Profits and Losses of an Associate

Our share of profits and losses of an associate represent our share of the net profit or loss of our associate.

Income Tax Expense

Our income tax expense represented income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled.

For details on applicable taxes and tax rates, see Note 11 to the Accountants' Report in Appendix I to this document.

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RESULTS OF OPERATIONS

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

Revenue by Product

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 | |
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % | <i>RMB'000</i> | % | <i>RMB'000</i> | % |
| | | | | | <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 | 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 ⁽¹⁾ | 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 |

Note:

(1) 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, | |
|----------------------------|-------------------------|---------------------|---------------------------------|---------------------|
| | 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 |

Comparison between the nine months ended September 30, 2025 and 2024: 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 (i) DRAM and (ii) memory IC, which was partially offset by a decrease in revenue from our embedded storage.

- **Embedded storage:** Revenue generated from our 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 “Business — Overlapping Customers and Suppliers” for details.

Under the Customer Supply Arrangement, the average selling price of embedded storage is relatively low, primarily because the revenue for embedded storage is calculated as (i) the income from our embedded storage sold to the relevant customer deducting (ii) the cost of wafers provided by the relevant customer for manufacturing such embedded storage.

If the revenue recognized under the Customer Supply Arrangement was excluded from our revenue from embedded storage, the average selling price of our embedded storage would have been RMB0.48 per GB and RMB0.40 per GB in the nine months ended September 30, 2024 and the nine months ended September 30, 2025, respectively. The decrease from RMB0.48 per GB to RMB0.40 per GB was primarily due to the fluctuations in market price of embedded storage, according to Frost & Sullivan.

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The decrease in the average selling price was partially offset by a 78.5% increase in the sales volume of embedded storage from 10,389.9 million GB in the nine months ended September 30, 2024 to 18,547.4 million GB in the nine months ended September 30, 2025. Such increase was primarily due to the increase in sales volume of embedded storage under the Customer Supply Arrangement. Specifically, the proportion of embedded storage sales volume under the Customer Supply Arrangement relative to the total embedded storage sales volume increased from 11.1% in the nine months ended September 30, 2024 to 64.6% in the nine months ended September 30, 2025.

- **SSDs:** Revenue generated from our SSDs increased by 11.5% from RMB642.1 million in the nine months ended September 30, 2024 to RMB716.1 million in the nine months ended September 30, 2025, primarily because of a 32.7% increase in the sales volume of our SSDs from 1,869.2 million GB to 2,480.6 million GB, as a result of the expansion of our customer base.

The increase in the sales volume of our SSDs was partially offset by a 14.7% decrease in the average selling price of our SSDs from RMB0.34 per GB to RMB0.29 per GB. Such decrease was primarily due to the fluctuation in market price of SSDs, according to Frost & Sullivan.

- **DRAM:** Revenue generated from our DRAM increased significantly from RMB646.4 million in the nine months ended September 30, 2024 to RMB1,979.9 million in the nine months ended September 30, 2025, primarily due to a significant increase in the sales volume of our DRAM from 40.7 million GB to 154.9 million GB. The increase in the sales volume was 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.

The increase in the sales volume of our DRAM was partially offset by a 19.5% decrease in the average selling price of our DRAM from RMB15.88 per GB to RMB12.78 per GB, primarily due to the fluctuation in the market price of DRAM according to Frost and Sullivan.

- **Mobile storage:** Revenue generated from our mobile storage increased by 36.9% from RMB174.3 million in the nine months ended September 30, 2024 to RMB238.6 million in the nine months ended September 30, 2025, primarily due to a 68.2% increase in the sales volume of our mobile storage from 574.2 million GB to 966.1 million GB, as a result of (i) the expansion of our customer base and (ii) an increase in the revenue proportion of our high-capacity mobile storage.

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The increase in the sales volume was partially offset by a 16.7% decrease in the average selling price of our mobile storage from RMB0.30 per GB to RMB0.25 per GB. Such decrease was primarily due to fluctuation in the market price of mobile storage, according to Frost & Sullivan.

- **Memory IC:** Revenue generated from our memory IC increased by 103.5% from RMB583.4 million in the nine months ended September 30, 2024 to RMB1,187.3 million in the nine months ended September 30, 2025, primarily because of an 86.3% increase in the sales volume of our memory IC from 1,749.4 million GB to 3,258.8 million GB. The increase in the sales volume was primarily due to our adjustment of inventory management strategy based on market demand, market price trend, our business and financial condition and our production plan, enabling us to enhance our operational efficiency.
- **Others:** Revenue generated from others decreased significantly from RMB162.9 million in the nine months ended September 30, 2024 to RMB45.9 million in the nine months ended September 30, 2025, primarily because of a decrease in the revenue generated from our controller chips as we used more controller chips as the components for our own memory products.

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

- **Embedded storage:** Revenue generated from our embedded storage increased by 52.4% from RMB3,732.4 million in 2023 to RMB5,687.7 million 2024, primarily due to:
 - (i) a 24.6% increase in the sales volume of our embedded storage from 12,410.7 million GB to 15,462.7 million GB, as a result of higher demand from our existing customers primarily due to our enhanced cooperation with the customers; and
 - (ii) a 23.3% increase in the average selling price of our embedded storage from RMB0.30 per GB to RMB0.37 per GB, primarily due to an increase in the market price of embedded storage, according to Frost & Sullivan.
- **SSDs:** Revenue generated from our SSDs decreased by 59.8% from RMB1,932.0 million in 2023 to RMB776.1 million in 2024, primarily because we allocated more resources to prioritize the development of our embedded storage business.

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- **DRAM:** Revenue generated from our DRAM increased significantly from RMB112.1 million in 2023 to RMB1,062.7 million in 2024, primarily due to:
 - (i) a significant increase in the sales volume of our DRAM from 11.0 million GB to 71.8 million GB, primarily because (a) our DRAM products was launched in recent years, and an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process; (b) some of our products, such as LPDDR, came into large scale manufacturing; and (c) our customers often purchase our DRAM together with our embedded storage, whose high sales volume drove the increase of the sales volume of our DRAM; and
 - (ii) a 45.1% increase in the average selling price of our DRAM from RMB10.20 per GB to RMB14.80 per GB, primarily due to the launch of our new DDR5 product, which has a higher average selling price.
- **Mobile storage:** Revenue generated from our mobile storage decreased by 29.1% from RMB321.0 million in 2023 to RMB227.5 million in 2024, primarily because we allocated more resources to prioritize the development of our embedded storage business.
- **Memory IC:** Revenue generated from our memory IC decreased by 66.8% from RMB2,360.5 million in 2023 to RMB784.2 million in 2024, primarily because of a significant 81.5% decrease in the sales volume of our memory IC from 12,877.6 million GB to 2,387.4 million GB. The decrease in the sales volume was primarily because we used more memory IC to satisfy our internal production needs.

The decrease in the sales volume was partially offset by a 83.3% increase in the average selling price of our memory IC from RMB0.18 per GB to RMB0.33 per GB. The increase in the average selling price was primarily due to an increase in the market price of memory IC, according to Frost & Sullivan.

- **Others:** Revenue generated from others decreased by 44.2% from RMB322.7 million in 2023 to RMB180.2 million in 2024, primarily because of (i) a decrease in revenue generated from our technical services as we allocated more resources to the research and development of our own products and reduced the amount of such services provided to other parties, and (ii) a decrease in the revenue generated from our controller chips, primarily because we used more controller chips as the components for our own memory products.

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Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of counter-parties to our sales contracts 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> | |
| Chinese Mainland | 1,824,779 | 20.8 | 1,264,609 | 14.5 | 603,101 | 8.9 | 2,663,038 | 34.4 |
| Overseas ⁽¹⁾ | 6,955,920 | 79.2 | 7,453,803 | 85.5 | 6,154,817 | 91.1 | 5,081,138 | 65.6 |
| Total | 8,780,699 | 100.0 | 8,718,412 | 100.0 | 6,757,918 | 100.0 | 7,744,176 | 100.0 |

Note:

(1) Primarily include Hong Kong, the U.K., Taiwan and Singapore.

During the Track Record Period, the majority of our revenue was derived from overseas markets. Within our overseas markets, the majority of our revenue was generated from Hong Kong. See “Business — Sales and Marketing” for details.

Comparison between the nine months ended September 30, 2025 and 2024: The revenue proportion of overseas markets decreased from 91.1% in the nine months ended September 30, 2024 to 65.6% in the nine months ended September 30, 2025, primarily due to (i) the increase in the revenue proportion of DRAM, as the majority of our new DRAM’s customers are located in Chinese Mainland; and (ii) the increase in the revenue proportion of Chinese Mainland for our embedded storage.

Comparison between 2024 and 2023: The revenue proportion of overseas markets increased from 79.2% in 2023 to 85.5% in 2024, primarily due to (i) the increase in the revenue proportion of overseas markets for our embedded storage; and (ii) the decrease in the revenue proportion of SSDs, as the majority of our SSDs’ customers are domestic customers.

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Cost of Sales

The following table sets forth a breakdown of our raw materials 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> | |
| Raw materials | 7,556,231 | 90.3 | 6,502,860 | 88.9 | 4,633,126 | 89.9 | 5,717,299 | 85.0 |
| Outsourced services | 660,515 | 7.9 | 688,895 | 9.4 | 431,010 | 8.4 | 896,840 | 13.3 |
| Others | 146,801 | 1.8 | 127,050 | 1.7 | 90,007 | 1.7 | 116,028 | 1.7 |
| Total | <u>8,363,547</u> | <u>100.0</u> | <u>7,318,805</u> | <u>100.0</u> | <u>5,154,143</u> | <u>100.0</u> | <u>6,730,167</u> | <u>100.0</u> |

Comparison between the nine months ended September 30, 2025 and 2024: Our cost of sales increased by 30.6% from RMB5,154.1 million in the nine months ended September 30, 2024 to RMB6,730.2 million in the nine months ended September 30, 2025, primarily attributable to an increase in raw material costs, in particular wafers, which was in line with our business growth.

Comparison between 2024 and 2023: Our cost of sales decreased by 12.5% from RMB8,363.5 million in 2023 to RMB7,318.8 million in 2024, primarily attributed to a decrease in raw material costs. Such decrease was primarily attributable to a decrease in the quantity of wafers we used, in particular those used for producing SSDs.

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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. | <u>417,152</u> | 4.8 | <u>1,399,607</u> | 16.1 | <u>1,603,775</u> | 23.7 | <u>1,014,009</u> | 13.1 |

Note:

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

As a result of the foregoing, we recorded gross profit of RMB417.2 million, RMB1,399.6 million, RMB1,603.8 million and RMB1,014.0 million in 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively. Our gross profit margin was 4.8%, 16.1%, 23.7% and 13.1% in 2023 and 2024, and the nine months ended September 30, 2024 and 2025, respectively.

Comparison between the nine months ended September 30, 2025 and 2024: 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 (i) a decrease in the gross profit margin of embedded storage and (ii) a decrease in the gross profit margin of memory IC. Specifically:

- **Embedded storage:** The gross profit margin of our embedded storage decreased from 28.3% in the nine months ended September 30, 2024 to 6.1% in the nine months ended September 30, 2025, 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

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Customer Supply Arrangement as a result of our negotiations with the relevant customer. See “Business — Overlapping customers and suppliers” for details of the Customer Supply Arrangement.

- **SSDs:** The gross profit margin of our SSDs increased from 14.7% in the nine months ended September 30, 2024 to 23.9% in the nine months ended September 30, 2025, primarily due to a decrease in the unit cost of sales as a result of our improved technology, leading to better utilization of raw materials.

The decrease in the unit cost of sales was partially offset by a 14.7% decrease in the average selling price of our SSDs from RMB0.34 per GB to RMB0.29 per GB. Such decrease was primarily due to the fluctuation in market price, according to Frost & Sullivan.

- **DRAM:** Our DRAM recorded gross loss margin of 1.4% in the nine months ended September 30, 2024 and gross profit margin of 15.5% in the nine months ended September 30, 2025, primarily due to our enhanced economies of scale as an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process.
- **Mobile storage:** The gross profit margin of our mobile storage remained relatively stable at 40.0% in the nine months ended September 30, 2024 and 41.8% in the nine months ended September 30, 2025.
- **Memory IC:** The gross profit margin of our memory IC decreased from 26.2% in the nine months ended September 30, 2024 to 17.3% in the nine months ended September 30, 2025. Such decrease was primarily due to the increase in the unit cost of sales of our memory IC, primarily due to an increase in the procurement price of wafers, which was in line with the industry trend, according to Frost & Sullivan.
- **Others:** The gross profit margin of others increased from 6.6% in the nine months ended September 30, 2024 to 24.0% in the nine months ended September 30, 2025, primarily due to (i) an increase in gross profit margin of our controller chips and (ii) an increase in the revenue proportion of servers which had relatively high gross profit margin.

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Comparison between 2024 and 2023: Our gross profit margin increased from 4.8% in 2023 to 16.1% in 2024, primarily due to (i) an increase in the gross profit margin of embedded storage, (ii) an increase in the gross profit margin of SSDs and (iii) a decrease in the gross loss margin of DRAM. Specifically:

- **Embedded storage:** The gross profit margin of our embedded storage increased from 0.7% in 2023 to 20.7% in 2024, primarily due to a 23.3% increase in the average selling price of our embedded storage from RMB0.30 per GB to RMB0.37 per GB. Such increase was primarily due to an increase in the market price of embedded storage, according to Frost and Sullivan.
- **SSDs:** The gross profit margin of our SSDs increased from 6.4% in 2023 to 10.2% in 2024, primarily due to a 65.0% increase in the average selling price of our SSDs from RMB0.20 per GB to RMB0.33 per GB, primarily due to an increase in market price of SSDs, according to Frost & Sullivan.

The increase in the average selling price of our SSDs was partially offset by an increase in the unit cost of sales of our SSDs. Such increase was primarily due to an increase in the procurement price of wafers, which was in line with the industry trend, according to Frost & Sullivan.

- **DRAM:** The gross loss margin of our DRAM decreased from 20.1% in 2023 to 8.8% in 2024, primarily due to a 45.1% increase in the average selling price of our DRAM from RMB10.20 per GB to RMB14.80 per GB, as a result of the launch of our new DDR5 product, which has a higher average selling price and lower gross loss margin.

The increase in average selling price of our DRAM was partially offset by an increase in the unit cost of sales of our DRAM. Such increase was primarily due to an increase in our procurement price of wafers, which was in line with the industry trend, according to Frost & Sullivan.

We recorded gross loss margin for DRAM in 2023 and 2024 primarily because we did not achieve economies of scale in the beginning of our DRAM business.

- **Mobile storage:** The gross profit margin of our mobile storage increased from 14.9% in 2023 to 33.3% in 2024, primarily due to:
 - (i) a 16.0% increase in the average selling price of our mobile storage from RMB0.25 per GB to RMB0.29 per GB, as a result of an increase in the market price of mobile storage, according to Frost and Sullivan; and

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- (ii) a decrease in the unit cost of sales of our mobile storage as a result of our improved technology, leading to better utilization of raw materials.
- **Memory IC:** The gross profit margin of our memory IC increased from 5.5% in 2023 to 18.5% in 2024, primarily due to a 83.3% increase in the average selling price of our memory IC from RMB0.18 per GB to RMB0.33 per GB, as a result of an increase in the market price of memory IC, according to Frost and Sullivan.
 - **Others:** The gross profit margin of others decreased from 35.1% in 2023 to 9.7% in 2024, primarily due to a decrease in the gross profit margin of our controller chips, as a result of a decrease in the average selling price of our controller chips as we adopted a competitive pricing strategy to facilitate our market expansion when developing our controller chips business.

Other Income and Gains

The following table sets forth a breakdown of our other income and gains 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> | | |
| Other Income | | | | | | | | |
| Bank interest income | 851 | 1.6 | 560 | 1.4 | 442 | 4.8 | 2,214 | 12.5 |
| Investment income from financial assets | | | | | | | | |
| at fair value through profit or loss . . | 241 | 0.5 | — | — | — | — | — | — |
| Government grants | 25,258 | 49.0 | 14,294 | 36.8 | 7,932 | 85.3 | 14,894 | 83.8 |
| Total other income | 26,350 | 51.1 | 14,854 | 38.2 | 8,374 | 90.1 | 17,108 | 96.3 |
| Other gains | | | | | | | | |
| Foreign exchange gains, net | 5,405 | 10.5 | 22,725 | 58.4 | — | — | — | — |
| Gain on deemed disposal of investment | | | | | | | | |
| in an associate | 19,359 | 37.5 | — | — | — | — | — | — |
| Gain on disposal of property, plant and | | | | | | | | |
| equipment | — | — | 447 | 1.1 | 447 | 4.8 | 96 | 0.5 |
| Gain on disposal of right-of-use assets . | 153 | 0.3 | — | — | — | — | — | — |
| Others ⁽¹⁾ | 318 | 0.6 | 900 | 2.3 | 477 | 5.1 | 568 | 3.2 |
| Total gains | 25,235 | 48.9 | 24,072 | 61.8 | 924 | 9.9 | 664 | 3.7 |
| Total other income and gains | 51,585 | 100.0 | 38,926 | 100.0 | 9,298 | 100.0 | 17,772 | 100.0 |

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Note:

- (1) Primarily include (i) gain on disposal of assets, (ii) refund of handling fees for withholding individual income tax, and (iii) non-operating income.

Comparison between the nine months ended September 30, 2025 and 2024: Our other income and gains increased by 91.1% from RMB9.3 million in the nine months ended September 30, 2024 to RMB17.8 million in the nine months ended September 30, 2025, primarily due to an increase in government grant as a result of (i) government subsidies on the integrated circuit industry and (ii) government subsidies on commercial activities.

Comparison between 2024 and 2023: Our other income and gains decreased by 24.5% from RMB51.6 million in 2023 to RMB38.9 million in 2024, primarily due to (i) a decrease in government grant, as a result of a decrease in government subsidies on the integrated circuit industry and (ii) a decrease in gain on deemed disposal of investment in an associate as a result of its issuance of new equity interests. The decrease was partially offset by an increase in foreign exchange gains as a result of changes in exchange rate.

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses 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> | |
| Employee compensation | 28,992 | 69.2 | 36,381 | 68.8 | 26,582 | 70.3 | 30,336 | 65.3 |
| Insurance expenses | 3,597 | 8.6 | 4,014 | 7.6 | 2,201 | 5.8 | 4,734 | 10.2 |
| Share-based payment compensation | 3,482 | 8.3 | 3,513 | 6.6 | 2,216 | 5.9 | 3,903 | 8.4 |
| Advertising and promotion fees | 2,048 | 4.9 | 3,477 | 6.6 | 2,804 | 7.4 | 3,285 | 7.1 |
| Travel and hospitality fees | 2,569 | 6.1 | 3,484 | 6.6 | 2,480 | 6.6 | 2,572 | 5.5 |
| Others ⁽¹⁾ | 1,236 | 2.9 | 2,047 | 3.8 | 1,548 | 4.0 | 1,614 | 3.5 |
| Total | 41,924 | 100.0 | 52,916 | 100.0 | 37,831 | 100.0 | 46,444 | 100.0 |

Note:

- (1) Primarily include (i) depreciation and amortization and (ii) consumable used.

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Comparison between the nine months ended September 30, 2025 and 2024: Our selling and distribution expenses increased by 22.8% from RMB37.8 million in the nine months ended September 30, 2024 to RMB46.4 million in the nine months ended September 30, 2025 primarily due to an increase in employee compensation, as a result of the increase in employee salaries.

Comparison between 2024 and 2023: Our selling and distribution expenses increased by 26.2% from RMB41.9 million in 2023 to RMB52.9 million in 2024, primarily due to an increase in employee compensation, as a result of the expansion of our sales and marketing team.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses 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 | % |
| Employee compensation . . . | 54,056 | 33.4 | 69,089 | 46.7 | 48,369 | 48.1 | 56,501 | 43.3 |
| Share-based payment | | | | | | | | |
| compensation | 66,219 | 40.9 | 33,019 | 22.3 | 23,012 | 22.9 | 29,820 | 22.9 |
| Depreciation and | | | | | | | | |
| amortization | 13,635 | 8.4 | 14,391 | 9.7 | 9,193 | 9.1 | 10,706 | 8.2 |
| Taxes and surcharges | 5,551 | 3.4 | 7,828 | 5.3 | 5,379 | 5.4 | 7,663 | 5.9 |
| [REDACTED] | — | — | — | — | — | — | [REDACTED] | [REDACTED] |
| Lease payment and utilities . | 5,428 | 3.4 | 6,500 | 4.4 | 3,613 | 3.6 | 4,674 | 3.5 |
| Consulting and professional | | | | | | | | |
| service fees | 3,105 | 1.9 | 3,354 | 2.3 | 1,433 | 1.4 | 2,826 | 2.2 |
| Others ⁽¹⁾ | 13,966 | 8.6 | 13,882 | 9.3 | 9,475 | 9.5 | 12,084 | 9.3 |
| Total | 161,960 | 100.0 | 148,063 | 100.0 | 100,474 | 100.0 | 130,350 | 100.0 |

Note:

(1) Primarily include (i) travel and hospitality fees and (ii) office expenses.

Comparison between the nine months ended September 30, 2025 and 2024: Our administrative expenses increased by 29.7% from RMB100.5 million in the nine months ended September 30, 2024 to RMB130.4 million in the nine months ended September 30, 2025, primarily due to (i) an increase in employee compensation, primarily due to the expansion of our administrative team in line with our business growth, and (ii) an increase in share-based payment compensation.

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Comparison between 2024 and 2023: Our administrative expenses decreased by 8.6% from RMB162.0 million in 2023 to RMB148.1 million in 2024, primarily due to a decrease in our share-based payment compensation as a result of share-based payments to management team in 2023.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses 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> | |
| Employee compensation . . . | 173,372 | 61.4 | 241,699 | 61.6 | 196,726 | 64.5 | 224,788 | 63.3 |
| Depreciation and amortization | 40,147 | 14.2 | 72,208 | 18.4 | 54,359 | 17.8 | 60,671 | 17.1 |
| Technical service fees | 41,940 | 14.8 | 23,536 | 6.0 | 15,500 | 5.1 | 26,913 | 7.6 |
| Share-based payment compensation | 15,171 | 5.4 | 29,756 | 7.6 | 19,875 | 6.5 | 19,434 | 5.5 |
| Others ⁽¹⁾ | 11,933 | 4.2 | 24,983 | 6.4 | 18,468 | 6.1 | 23,133 | 6.5 |
| Total | 282,563 | 100.0 | 392,182 | 100.0 | 304,928 | 100.0 | 354,939 | 100.0 |

Note:

(1) Primarily include (i) office and travel expenses and (ii) consumable used.

Comparison between the nine months ended September 30, 2025 and 2024: Our research and development expenses increased by 16.4% from RMB304.9 million in the nine months ended September 30, 2024 to RMB354.9 million in the nine months ended September 30, 2025 primarily due to (i) an increase in our employee compensation as a result of the expansion of our R&D team; and (ii) an increase in technical service fees mainly in relation to the R&D of our controller chips.

Comparison between 2024 and 2023: Our research and development expenses increased by 38.8% from RMB282.6 million in 2023 to RMB392.2 million in 2024, primarily due to (i) an increase in employee compensation as a result of the expansion of our R&D team and (ii) an increase in depreciation and amortization as a result of an increase in our equipment driven by the expansion of our R&D activities.

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Other Expenses

The following table sets forth a breakdown of our other expenses 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> | |
| Impairment of goodwill . . . | — | — | 55,551 | 57.5 | 55,551 | 40.2 | — | — |
| Impairment of other intangible assets | — | — | 40,883 | 42.3 | 40,883 | 29.6 | — | — |
| Foreign exchange losses . . . | — | — | — | — | 41,640 | 30.1 | 20,237 | 98.9 |
| Others | 8,480 | 100.0 | 224 | 0.2 | 101 | 0.1 | 224 | 1.1 |
| Total | 8,480 | 100.0 | 96,658 | 100.0 | 138,175 | 100.0 | 20,461 | 100.0 |

Comparison between the nine months ended September 30, 2025 and 2024: Our other expenses decreased by 85.2% from RMB138.2 million in the nine months ended September 30, 2024 to RMB20.5 million in the nine months ended September 30, 2025, as we recorded large amount of impairment losses recognized on goodwill and other intangible assets in 2024.

Comparison between 2024 and 2023: Our other expenses increased significantly from RMB8.5 million in 2023 to RMB96.7 million in 2024, primarily due to impairment losses recognized on goodwill and other intangible assets, as a result of our estimation of the recoverable amount of one of our subsidiaries.

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Finance Costs

The following table sets forth a breakdown of our finance costs during the Track Record Period:

| | Year ended December 31, | | | | Nine months ended September 30, | | | |
|---|-------------------------|--------------|----------------|--------------|---------------------------------|--------------|-------------------------------|--------------|
| | 2023 | | 2024 | | 2024 | | 2025 | |
| | RMB'000 | % | RMB'000 | % | RMB'000 <i>(unaudited)</i> | % | RMB'000 <i>(unaudited)</i> | % |
| Interest on bank and other borrowings | 68,556 | 94.8 | 151,423 | 97.9 | 108,932 | 98.2 | 102,884 | 97.0 |
| Interest on other payables . . | — | — | 315 | 0.2 | 125 | 0.1 | 150 | 0.1 |
| Interest expenses on lease liabilities | 1,508 | 2.1 | 1,552 | 1.0 | 1,016 | 0.9 | 1,220 | 1.2 |
| Interest on redemption liabilities on ordinary shares | — | — | 1,317 | 0.9 | 863 | 0.8 | 1,346 | 1.3 |
| Other finance cost | 2,278 | 3.1 | — | — | — | — | 468 | 0.4 |
| Total | 72,342 | 100.0 | 154,607 | 100.0 | 110,936 | 100.0 | 106,068 | 100.0 |

Comparison between the nine months ended September 30, 2025 and 2024: Our finance costs remained relatively stable at RMB110.9 million in the nine months ended September 30, 2024 and RMB106.1 million in the nine months ended September 30, 2025.

Comparison between 2024 and 2023: Our finance costs increased significantly from RMB72.3 million in 2023 to RMB154.6 million in 2024, primarily attributable to an increase in our interest on bank loans as a result of an increase in our current interest-bearing bank borrowings.

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Income Tax Expenses

The following table sets forth a breakdown of our income tax expenses 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> |
| Current tax | 13,801 | 75,199 | 106,472 | 456 |
| Deferred tax | (27,880) | 10,513 | 28,897 | 27,536 |
| Tax (credit)/charge for the year/period | <u>(14,079)</u> | <u>85,712</u> | <u>135,369</u> | <u>27,992</u> |

Comparison between the nine months ended September 30, 2025 and 2024: Our income tax expenses decreased by 79.3% from RMB135.4 million in the nine months ended September 30, 2024 to RMB28.0 million in the nine months ended September 30, 2025, primarily due to a decrease in our current tax as a result of a decrease in our profit before tax.

Comparison between 2024 and 2023: Our income tax credit of RMB14.1 million in 2023 turned into income tax expenses of RMB85.7 million in 2024, primarily due to an increase in our current tax, as a result of the turnaround from our loss before tax in 2023 to profit before tax in 2024.

Profit for the Year or Period

As a result of the foregoing, our loss for the year of RMB117.5 million in 2023 turned into profit for the year of RMB482.9 million in 2024. Our profit for the period decreased by 54.6% from RMB771.6 million in the nine months ended September 30, 2024 to RMB350.7 million in the nine months ended September 30, 2025.

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

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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 measure) and adjusted EBITDA (non-IFRS measure) | | | | |
| (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 measure) | (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 measure) | 152,134 | 952,845 | 1,184,521 | 665,398 |

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LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our business operations and our fundraising activities. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the net [REDACTED] from the [REDACTED] and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Cash Flows Analysis

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 |

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Operating Activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as depreciation of items of property, plant and equipment, amortization of other intangible assets, write-down of inventories to net realizable value, finance costs and foreign exchange losses; (ii) the effects of movement in working capital such as inventories, trade payables, trade receivables, prepayments, deposits and other receivables, other payables and accruals, and contract liabilities; and (iii) other cash items such as tax paid. We will continue to monitor our cash flows from operations closely and improve our net operating cash flows position through a variety of means, including (i) managing our trade receivables by monitoring the credit profile of our customers and enhancing our payment collection system, (ii) increasing our inventory turnover rate to increase our cash flows from operating activities, and (iii) increase our bargaining power and extend our credit period with our suppliers.

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 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.

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Investing Activities

In the nine months ended September 30, 2025, we had net cash flows used in investing activities of RMB79.2 million, which primarily resulted from purchase of items of property, plant and equipment of RMB43.2 million and purchases of items of intangible assets of RMB36.2 million.

In 2024, we had net cash flows used in investing activities of RMB127.6 million, which primarily resulted from purchase of items of property, plant and equipment of RMB76.5 million and purchases of items of intangible assets of RMB53.5 million.

In 2023, we had net cash flows used in investing activities of RMB8.4 million, which primarily resulted from purchase of items of property, plant and equipment of RMB38.6 million and purchases of items of intangible assets of RMB39.2 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB67.0 million.

Financing Activities

In the nine months ended September 30, 2025, we had net cash flows from financing activities of RMB487.7 million, primarily due to (i) new bank and other borrowings of RMB3,957.5 million and (ii) capital injection from shareholders of RMB338.5 million, partially offset by repayment of bank and other borrowings of RMB3,397.3 million.

In 2024, we had net cash flows from financing activities of RMB1,269.1 million, which primarily resulted from new bank and other borrowings of RMB4,320.1 million, partially offset by repayment of bank and other borrowings of RMB3,199.3 million.

In 2023, we had net cash flows from financing activities of RMB1,245.6 million, primarily due to (i) new bank and other borrowings of RMB2,495.3 million and (ii) capital injection from shareholders of RMB476.7 million, partially offset by repayment of bank and other borrowings of RMB1,687.5 million.

FINANCIAL INFORMATION

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and current liabilities as of the dates indicated:

| | As of December 31, | | As of September 30, | As of November 30, |
|--|--------------------|------------------|--------------------------------------|--------------------------------------|
| | 2023 | 2024 | 2025 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> <i>(unaudited)</i> | <i>RMB'000</i> <i>(unaudited)</i> |
| Current assets | | | | |
| Inventories | 2,548,171 | 3,949,776 | 5,147,450 | 6,123,403 |
| Trade receivables | 1,704,906 | 2,017,104 | 2,054,307 | 1,554,262 |
| Prepayments, deposits and other receivables | 260,070 | 397,128 | 267,972 | 215,959 |
| Restricted bank deposits | — | 15,000 | 17,204 | 15,000 |
| Cash and cash equivalents | 254,714 | 275,790 | 610,300 | 1,275,491 |
| Total current assets | 4,767,861 | 6,654,798 | 8,097,233 | 9,184,115 |
| Current liabilities | | | | |
| Trade payables | 1,342,195 | 1,062,787 | 1,439,624 | 2,166,053 |
| Contract liabilities | 45,075 | 17,531 | 27,398 | 64,305 |
| Other payables and accruals | 131,025 | 214,061 | 198,603 | 125,930 |
| Interest-bearing bank borrowings | 2,224,812 | 3,604,530 | 3,294,367 | 2,922,260 |
| Lease liabilities | 12,797 | 16,789 | 15,934 | 14,449 |
| Tax payable | — | 97 | 133 | 82,179 |
| Total current liabilities | 3,755,904 | 4,915,795 | 4,976,059 | 5,375,176 |
| Net current assets | 1,011,957 | 1,739,003 | 3,121,174 | 3,808,939 |

Comparison between December 31, 2023 and December 31, 2024: 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.

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Comparison between December 31, 2024 and September 30, 2025: 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.

Comparison between September 30, 2025 and November 30, 2025: Our net current assets increased from RMB3,121.2 million as of September 30, 2025 to RMB3,808.9 million as of November 30, 2025, primarily due to (i) an increase in our inventories of RMB976.0 million and (ii) an increase in our cash and cash equivalents of RMB665.2 million, partially offset by an increase in our trade payables of RMB726.4 million.

Inventories

The following table sets forth our inventories as of the dates indicated:

| | As of December 31, | | As of |
|--|--------------------|------------------|--------------------------------------|
| | 2023 | 2024 | September 30, |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> <i>(unaudited)</i> |
| Raw material | 1,415,250 | 2,429,753 | 3,036,066 |
| Finished goods | 760,818 | 1,014,567 | 1,362,935 |
| Goods shipped in transit | 2,915 | 23,077 | 928 |
| Contract fulfilment cost. | 6,929 | 32,081 | 8,232 |
| Materials consigned for processing | 362,259 | 450,298 | 739,289 |
| Total | 2,548,171 | 3,949,776 | 5,147,450 |

Our inventories increased by 55.0% from RMB2,548.2 million as of December 31, 2023 to RMB3,949.8 million as of December 31, 2024, primarily due to an increase in raw materials, as we maintained a relatively high inventory level at the end of 2024 to meet customer demand for embedded storage and DRAM.

Our inventories increased by 30.3% from RMB3,949.8 million as of December 31, 2024 to RMB5,147.5 million as of September 30, 2025, primarily due to (i) an increase in raw materials and materials consigned for processing as we maintained a higher level of raw materials to meet the market demand for DRAM and (ii) an increase in finished goods.

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The following table sets an aging analysis of our inventories as of the dates indicated:

| | As of December 31, | | As of |
|--|--------------------|------------------|-------------------------------|
| | 2023 | 2024 | September 30, |
| | <i>RMB'000</i> | <i>RMB'000</i> | 2025 |
| | | | <i>RMB'000</i> (unaudited) |
| Within 3 months | 1,518,130 | 1,972,020 | 3,029,030 |
| 4-12 months | 552,071 | 1,709,263 | 1,308,366 |
| 1-2 years | 316,076 | 436,966 | 579,840 |
| Over 2 years | 256,001 | 335,082 | 383,800 |
| Less: provision for impairment | (94,106) | (503,556) | (153,586) |
| Total | 2,548,171 | 3,949,776 | 5,147,450 |

The following table sets forth our inventory turnover days for the periods indicated.

| | Year ended December 31, | | Nine months |
|--|-------------------------|------|-----------------|
| | 2023 | 2024 | ended September |
| | | | 30, |
| | | | 2025 |
| Inventory turnover days ⁽¹⁾ | 101 | 162 | 185 |

Note:

- (1) Average inventory turnover days were calculated based on the average of the opening and closing balances of inventories of a given year or period divided by the cost of sales for that corresponding year or period and multiplied by 365 days for the year and 273 days for the relevant period.

Our inventory turnover days increased from 101 days in 2023 to 162 days in 2024, as we built up inventory levels to meet customer demand for embedded storage and DRAM.

Our inventory turnover days remained relatively stable at 162 days in 2024 and 185 days in the nine months ended September 30, 2025.

As of November 30, 2025, RMB2,614.5 million, or 49.3%, of our inventories as of September 30, 2025 had been sold or utilized.

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Trade Receivables

The following table sets forth a breakdown of our trade receivables 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> |
| Trade receivables | 1,728,972 | 2,055,171 | 2,084,700 |
| Allowance for expected credit losses | (24,066) | (38,067) | (30,393) |
| Total | <u>1,704,906</u> | <u>2,017,104</u> | <u>2,054,307</u> |

Our trade receivables increased by 18.3% from RMB1,704.9 million as of December 31, 2023 to RMB2,017.1 million as of December 31, 2024, primarily due to the expansion of our customer base.

Our trade receivables remained relatively stable at RMB2,017.1 million as of December 31, 2024 and RMB2,054.3 million as of September 30.

The following table sets forth the aging analysis of the trade receivables 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> |
| Within 3 months | 1,546,684 | 1,607,378 | 1,848,579 |
| 3 to 6 months | 155,076 | 392,036 | 171,325 |
| Over 6 months | 3,146 | 17,690 | 34,403 |
| Total | <u>1,704,906</u> | <u>2,017,104</u> | <u>2,054,307</u> |

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The following table sets forth our trade receivables turnover days during the periods indicated:

| | Year ended December 31, | | Nine months ended |
|--|-------------------------|------|-------------------|
| | | | September 30, |
| | 2023 | 2024 | 2025 |
| Trade receivables turnover days ⁽¹⁾ | 43 | 78 | 72 |

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables (less allowance for impairment) for a given year or period, divided by the revenue for the corresponding year or period and multiplied by 365 for the year and 273 for the period.

Our trade receivables turnover days increased from 43 days in 2023 to 78 days in 2024, primarily due to an increase in proportion of our large customers, to whom we granted relatively longer credit terms.

Our trade receivable turnover days decreased from 78 days in 2024 to 72 days in the nine months ended September 30, 2025, primarily due to our strengthened management of trade receivables and enhanced collection efforts.

As of November 30, 2025, RMB1,720.1 million, or 82.5%, of our trade receivables as of September 30, 2025, had been settled.

FINANCIAL INFORMATION

Prepayments, Deposits and Other Receivables

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

| | As of December 31, | | As of |
|---|--------------------|----------------|--------------------|
| | 2023 | 2024 | September 30, |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | | <i>(unaudited)</i> |
| Prepayments | 180,969 | 77,589 | 52,078 |
| Deposits and other receivables | 1,465 | 2,177 | 1,755 |
| VAT recoverable | 77,636 | 317,362 | 212,245 |
| Deferred [REDACTED] | — | — | [REDACTED] |
| | 260,070 | 397,128 | 267,972 |
| Less: Impairment of other receivables | — | — | — |
| Total | 260,070 | 397,128 | 267,972 |

Our prepayments, deposits and other receivables increased by 52.7% from RMB260.1 million as of December 31, 2023 to RMB397.1 million as of December 31, 2024, primarily due to an increase in our VAT recoverable, as a result of an increase in the raw material procured by our onshore entities. The increase in VAT recoverable was partially offset by a decrease in our prepayment primarily due to our enhanced bargaining power with our suppliers.

Our prepayments, deposits and other receivables decreased by 32.5% from RMB397.1 million as of December 31, 2024 to RMB268.0 million as of September 30, 2025, primarily due to a decrease in our VAT recoverable. The decrease in VAT recoverable was primarily due to the increase in revenue proportion of Chinese Mainland, which resulted in higher VAT output tax and offset VAT recoverable.

Trade Payables

Our trade payables decreased by 20.8% from RMB1,342.2 million as of December 31, 2023 to RMB1,062.8 million as of December 31, 2024, primarily due to a decrease in our raw material cost, as a result of our strategic purchase of wafers in the fourth quarter of 2023 at relatively low prices, in anticipation of an increase in market price in the future.

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Our trade payables increased by 35.5% from RMB1,062.8 million as of December 31, 2024 to RMB1,439.6 million as of September 30, 2025, primarily due to an increase in (i) procurement of raw materials and (ii) outsourced services to support our expanding production and business operations.

The following table sets forth an aging analysis of our trade payables 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> |
| Within one year | 1,340,939 | 1,060,228 | 1,435,509 |
| 1 to 2 years | 1,256 | 2,559 | 4,115 |
| Over 2 years | — | — | — |
| Total | <u>1,342,195</u> | <u>1,062,787</u> | <u>1,439,624</u> |

The following table sets forth our trade payables turnover days for the periods indicated:

| | Year ended December 31, | | Nine months |
|---|-------------------------|------|---------------|
| | | | ended |
| | 2023 | 2024 | September 30, |
| | | | 2025 |
| Trade payables turnover days ⁽¹⁾ | 46 | 60 | 51 |

Note:

- (1) Trade payables turnover days are calculated based on the average of opening and closing balance of trade payables for a given year or period divided by the cost of sales for the corresponding year or period and multiplied by 365 days for the year and 273 days for the period.

Our trade payables turnover days increased from 46 days in 2023 to 60 days in 2024, primarily due to the longer credit term granted by our suppliers as a result of our enhanced bargaining power with our suppliers.

Our trade payable turnover days decreased from 60 days in 2024 to 51 days in the nine months ended September 30, 2025, primarily due to our enhanced cash flow management, which allowed us to focus more on suppliers offering more favorable prices, as compared to suppliers granting longer credit terms.

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As of November 30, 2025, RMB1,049.3 million, or 72.9%, of total trade payables as of September 30, 2025, had been subsequently settled.

Other Payables and Accrual

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

| | As of December 31, | | As of |
|---|--------------------|----------------|--------------------|
| | 2023 | 2024 | September 30, |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | | <i>(unaudited)</i> |
| Payments for long-term assets purchase . . . | 17,325 | 30,116 | 18,257 |
| Payroll payables | 56,798 | 81,222 | 71,350 |
| Other payables and accruals | 9,417 | 29,526 | 18,326 |
| Investment received in advance | 9,200 | — | — |
| Advance payment from a customer | 31,160 | 34,712 | 49,311 |
| Redemption liabilities on ordinary shares . . | — | 31,317 | 32,663 |
| [REDACTED] payables | — | — | [REDACTED] |
| Other tax payables | 7,125 | 7,168 | 5,026 |
| Total | 131,025 | 214,061 | 198,603 |

Our other payables and accruals increased by 63.4% from RMB131.0 million as of December 31, 2023 to RMB214.1 million as of December 31, 2024, primarily because of (i) an increase in payroll payables attributable to an increase in the number of our employees and (ii) an increase in redemption liabilities on ordinary shares. The increase in redemption liabilities on ordinary shares was primarily due to our entering into a subscription agreement with one Pre-[REDACTED] investor in March 2024, pursuant to which we granted the Pre-[REDACTED] investor redemption rights to request us to repurchase part or all of the equity held by the Pre-[REDACTED] investor. For details, please see “History, Development and Corporate Structure — Pre-[REDACTED] Investments — Special Rights of the Pre-[REDACTED] Investors.”

Our other payables and accruals remained relatively stable at RMB214.1 million as of December 31, 2024 and RMB198.6 million as of September 30, 2025.

Interest-Bearing Bank Borrowings

Our interest-bearing bank borrowings consist of (i) bank loans and (ii) other loans.

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Our interest-bearing bank borrowings increased by 62.0% from RMB2,224.8 million as of December 31, 2023 to RMB3,604.5 million as of December 31, 2024, primarily due to our business growth.

Our interest-bearing bank borrowings remained relatively stable at RMB3,604.5 million as of December 31, 2024 and RMB3,294.4 million as of September 30, 2025.

Lease Liabilities

Our lease liabilities increased by 31.2% from RMB12.8 million as of December 31, 2023 to RMB16.8 million as of December 31, 2024, primarily because of an increase in the new office and warehouse leases to support our business expansion.

Our lease liabilities remained relatively stable at RMB16.8 million as of December 31, 2024 and RMB15.9 million as of September 30, 2025.

Contract Liabilities

Our contract liabilities arose from short-term advances received from customers.

Our contract liabilities decreased by 61.1% from RMB45.1 million as of December 31, 2023 to RMB17.5 million as of December 31, 2024, primarily because we received higher advances from our customers in 2023, due to the upward trend of the memory product market.

Our contract liabilities increased by 56.3% from RMB17.5 million as of December 31, 2024 to RMB27.4 million as of September 30, 2025, primarily due to the increases in advances received from our customers, which generally aligns with our business expansion and the rebound of the memory product market.

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Non-Current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

| | As of December 31, | | As of |
|--|-------------------------|-----------------------|--|
| | 2023 | 2024 | September 30, |
| | <i>RMB'000</i> | <i>RMB'000</i> | 2025 <i>RMB'000</i> <i>(unaudited)</i> |
| Non-current assets | | | |
| Property, plant and equipment | 59,677 | 100,365 | 98,723 |
| Right-of-use assets | 27,367 | 36,110 | 39,123 |
| Intangible assets | 462,205 | 372,512 | 323,633 |
| Investments in an associate | 27,141 | 18,959 | 19,921 |
| Goodwill | 341,475 | 285,924 | 285,924 |
| Deferred tax assets | 179,216 | 154,431 | 117,684 |
| Prepayments, deposits and other receivables | 3,892 | 7,071 | 12,411 |
| Total non-current assets | <u>1,100,973</u> | <u>975,372</u> | <u>897,419</u> |
| Non-current liabilities | | | |
| Interest-bearing bank borrowings | 50,000 | 65,140 | 646,870 |
| Lease liabilities | 15,985 | 21,532 | 25,156 |
| Deferred income | 950 | 313 | — |
| Deferred tax liabilities | 52,461 | 36,731 | 28,405 |
| Total non-current liabilities | <u>119,396</u> | <u>123,716</u> | <u>700,431</u> |
| Net non-current assets | <u>981,577</u> | <u>851,656</u> | <u>196,988</u> |

FINANCIAL INFORMATION

Property, Plant and Equipment

The following table sets forth our property, plant and equipment 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> |
| Construction in progress | 33 | 33 | 2,097 |
| Machine equipment | 8,054 | 26,341 | 25,667 |
| Electronic equipment | 40,098 | 64,359 | 63,650 |
| Furniture and fixtures | 1,362 | 1,333 | 1,327 |
| Transportation equipment | 270 | 55 | — |
| Renovation and leasehold improvement | 9,860 | 8,244 | 5,982 |
| Total | 59,677 | 100,365 | 98,723 |

The carrying amount of our property, plant and equipment increased by 68.2% from RMB59.7 million as of December 31, 2023 to RMB100.4 million as of December 31, 2024, primarily attributable to an increase in machine and electronic equipment due to our investments in testing equipment to conduct necessary functionality and performance evaluations.

The carrying amount of our property, plant and equipment remained relatively stable at RMB100.4 million as of December 31, 2024 and RMB98.7 million as of September 30, 2025.

Right-of-Use Assets

Our right-of-use assets consist of leased properties and buildings. Our right-of-use assets increased by 31.9% from RMB27.4 million as of December 31, 2023 to RMB36.1 million as of December 31, 2024, and further increase by 8.3% to RMB39.1 million as of September 30, 2025, primarily due to the addition of leased properties and buildings for the purpose of research and development, office operations, warehousing, and employee accommodation.

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Intangible Assets

The following table sets forth our intangible assets 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> |
| Software | 6,083 | 22,685 | 20,002 |
| Patents | 421,246 | 320,786 | 279,542 |
| IP licenses. | 34,876 | 29,041 | 24,089 |
| Total | 462,205 | 372,512 | 323,633 |

Our intangible assets decreased by 19.4% from RMB462.2 million as of December 31, 2023 to RMB372.5 million as of December 31, 2024, primarily due to impairment losses and amortization recognized on our patent assets.

Our intangible assets further decrease by 13.1% from RMB372.5 million as of December 31, 2024 to RMB323.6 million as of September 30, 2025, primarily due to amortization of our patent assets.

Interest-Bearing Bank Borrowings

Our interest-bearing bank borrowings consist of secured bank loans.

Our interest-bearing bank borrowings increased by 30.3% from RMB50.0 million as of December 31, 2023 to RMB65.1 million as of December 31, 2024, and increased significantly from RMB65.1 million as of December 31, 2024 to RMB646.9 million as of September 30, 2025, primarily due to our business expansion.

Lease liabilities

Our lease liabilities consist of properties and buildings for research and development, office operations, warehousing, and employee accommodation.

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Our lease liabilities increased by 34.7% from RMB16.0 million as of December 31, 2023 to RMB21.5 million as of December 31, 2024, primarily due to the addition of properties and buildings for the purpose of research and development, office operations, warehousing and employee accommodation.

Our lease liabilities further increased by 16.8% from RMB21.5 million as of December 31, 2024 to RMB25.2 million as of September 30, 2025, primarily due to an increase in leases of office buildings.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

| | As of December 31, | | As of September 30, | As of November 30, |
|---------------------------------|-------------------------|-------------------------|--------------------------------------|--------------------------------------|
| | 2023 | 2024 | 2025 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> <i>(unaudited)</i> | <i>RMB'000</i> <i>(unaudited)</i> |
| Current | | | | |
| Interest-bearing bank and other | | | | |
| borrowings | 2,224,812 | 3,604,530 | 3,294,367 | 2,922,260 |
| Lease liabilities | 12,797 | 16,789 | 15,934 | 14,449 |
| Non-current | | | | |
| Interest-bearing bank and other | | | | |
| borrowings | 50,000 | 65,140 | 646,870 | 666,710 |
| Lease liabilities | 15,985 | 21,532 | 25,156 | 25,185 |
| Total | <u>2,303,594</u> | <u>3,707,991</u> | <u>3,982,327</u> | <u>3,628,604</u> |

Bank Borrowings

As of December 31, 2023, 2024 and September 30, 2025, our bank borrowings, including current and non-current portion, were RMB2,274.8 million, RMB3,669.7 million and RMB3,941.2 million, respectively, mainly representing bank loans primarily to general corporate purposes. See “— Selected Balance Sheet Items — Current Assets/Liabilities — Interest-Bearing Bank Borrowings”, and “Selected Balance Sheet Items — Non-Current Assets and Liabilities — Interest-Bearing Bank Borrowings” for details.

Our bank borrowings decreased by 8.9% from RMB3,941.2 million as of September 30, 2025 to RMB3,589.0 million as of November 30, 2025, primarily due to repayment of our bank loans.

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During the Track Record Period, our bank borrowings are denominated in RMB, TWD and USD. As of the November 30, 2025, our unutilized banking facilities were RMB1,113.9 million. For further information regarding our interest-bearing bank borrowings, please see Note 24 to the Accountants’ Report in Appendix I to this document.

Our Directors confirm that there was no default in payments of our liabilities or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024 and September 30, 2025, our lease liabilities, including current and non-current portion, were RMB28.8 million, RMB38.3 million and RMB41.1 million, respectively, mainly representing lease liabilities primarily to our leased office buildings and warehouses. See “— Selected Balance Sheet Items — Current Assets/Liabilities — Lease Liabilities” and “— Selected Balance Sheet Items — Non-Current Assets and Liabilities — Lease Liabilities” for details.

Our lease liabilities remained relatively stable at RMB41.1 million as of September 30, 2025 and RMB39.6 million as of November 30, 2025.

No Other Outstanding Indebtedness

Except as disclosed above, as of November 30, 2025, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our indebtedness since November 30, 2025.

CONTINGENT LIABILITIES OR GUARANTEES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

FINANCIAL INFORMATION

CAPITAL EXPENDITURE

The following table sets forth a breakdown of our capital expenditures for the periods indicated:

| | Year ended December 31, | | Nine months ended September 30, |
|--|-------------------------|----------------|---------------------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> <i>(unaudited)</i> |
| Purchases of property, plant and equipment | 38,636 | 76,466 | 43,172 |
| Additions of intangible assets | 39,192 | 53,512 | 36,244 |
| Total | 77,828 | 129,978 | 79,416 |

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities, equity and debt financing. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net [REDACTED] from the [REDACTED]. Please see “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for further details. We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

The following table sets forth a breakdown of our capital commitments for the periods indicated:

| | Year ended December 31, | | Nine months ended September 30, |
|---|-------------------------|----------------|---------------------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> <i>(unaudited)</i> |
| Purchases of property, plant and equipment. | 4,723 | 9,430 | 11,027 |
| Additions of intangible assets | 5,004 | 3,450 | 6,479 |
| Total | 9,727 | 12,880 | 17,506 |

FINANCIAL INFORMATION

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 measures). | 152,134 | 952,845 | 665,398 |
| (Loss)/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%.

Net Profit Margin

We recorded net loss margin of 1.3% in 2023 and net profit margin of 5.5% in 2024, primarily due to the significant increase in our gross profit margin from 4.8% in 2023 to 16.1% in 2024, as a result of the increase in the average selling price of our memory products. Our net profit margin decreased from 5.5% in 2024 to 4.5% in the nine months ended September 30, 2025, primarily due to the decrease of our gross profit margin from 16.1% in 2024 to 13.1% in the nine months ended September 30, 2025, as a result of the decrease in the average selling price of most of our memory products.

Current Ratio

Our current ratio remained relatively stable at 1.3 as of December 31, 2023 and 1.4 as of December 31, 2024. Our current ratio increased from 1.4 as of December 31, 2024 to 1.6 as of September 30, 2025, primarily due to an increase in our current assets because of (i) an increase in our inventories as we maintained a higher level of inventories to meet the market demand and (ii) an increase in our cash and cash equivalent.

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Adjusted EBITDA (Non-IFRS Measures)

See “— Results of Operations — Non-IFRS Measures.”

(Loss)/Return on Equity

We recorded loss on equity of 6.4% in 2023 and return on equity of 21.1% in 2024 primarily due to our turnaround from net loss of RMB117.5 million in 2023 to net profit of RMB482.9 million in 2024. Our return on equity decreased from 21.1% in 2024 to 11.9% in the nine months ended September 30, 2025, primarily due to a decrease in our net profit from RMB482.9 million in 2024 to RMB350.7 million in the nine months ended September 30, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

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

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 34 to the Accountants’ Report in Appendix I to this document. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm’s length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, interest-bearing bank borrowings, and investments at fair value through other comprehensive income. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, other receivables and other payables, which arise directly from our operations.

The main risks arising from the our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Our Board reviewed and agreed the following risk management policies. Please see Note 37 to the Accountants’ Report in Appendix I to this document for details.

FINANCIAL INFORMATION

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to the our interest-bearing bank and other borrowings.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect the our financial condition and results of operations.

Credit Risk

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, arises from default of the counter-party, with a maximum exposure equal to the carrying amounts of these instruments.

For financial assets included in prepayments, other receivables and other assets, our management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Our Directors believe that there is no material credit risk inherent in our outstanding balance of other receivables.

For details of our credit risk, please see Note 37 to the Accountants' Report set out in Appendix I to this document.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities. For details of the remaining contractual maturity our financial liabilities, please see Note 37 to the Accountants' Report set out in Appendix I to this document.

FINANCIAL INFORMATION

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize our shareholders' value. We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We monitor capital using a gearing ratio, which is total liabilities divided by total assets. Our policy is to maintain the gearing ratio at a reasonable level. For more details of our credit risk, please see Note 37 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS

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 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.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of the financial resources available to us, including (i) our future operating cash flows in respective periods; (ii) cash and cash equivalents; (iii) current financial assets at fair value through profit or loss; (iv) available bank facilities; and (v) the estimated net [REDACTED] from the [REDACTED], we have sufficient working capital for our requirements for at least the next 12 months from the date of this document.

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[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED] expenses, such as [REDACTED] fees and [REDACTED], and (ii) [REDACTED] expenses, 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] Range and assuming that the [REDACTED] is not exercised) 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] expenses 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 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.

UNAUDITED [REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

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 date of our latest audited financial statements, and there has been no event since September 30, 2025 which would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.