The following discussion and analysis of our financial condition and results of operations should be read in conjunction with notes included in the Accountants' Report in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors", "Forward-Looking Statements" and elsewhere in this document.

For the purpose of this section, unless the context otherwise requires, reference to the years of 2023 and 2024 refer to the years ended December 31, 2023 and 2024, respectively.

OVERVIEW

Driven by technological innovation and a proven ability to scale and commercialize, we are a global leader and the No. 1 provider in China of high-performance computing server power supply in terms of revenue in 2024, empowering a wide range of industrial, consumer and commercial energy conversion applications. According to Frost & Sullivan, in terms of revenue derived from high-performance computing server power supply in 2024, our shares in the global and Chinese mainland high-performance computing server power supply markets were 8.9% and 18.9%, respectively. Our products mainly serve application-specific computing (i.e., performing computing tasks for a particular purpose or function) and AI computing (which currently primarily uses GPUs designed to fulfill general purposes), catering to the exacting requirements on output, efficiency, power density, and reliability.

Leveraging deep technical experience and strong customer resources in computing server power supply, we successfully expanded into the Energy Storage Solution ("**ESS**") Power Conversion business. Through this business line, we primarily provide power conversion systems for portable and residential energy storage products, serving top portable energy storage brands such as Hello Tech and also cater to industrial and commercial applications.

In 2023, 2024 and for the nine months ended September 30, 2025, our revenue amounted to RMB261.2 million, RMB555.9 million, and RMB751.4 million, respectively. In the same periods, our profit for the period amounted to RMB4.2 million, RMB39.6 million, and RMB76.1 million, respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our historical financial condition and results of operations have been affected by a number of important factors which we believe will continue to affect our financial condition and results of operations in the future. Our results are primarily affected by the following factors:

Global Demand for High-Performance Computing Server Power Supply Products

Our revenue is closely related to the demand for high-performance power supply products and, accordingly, to the demand for high-performance computing servers. In 2024, the market size in terms of revenue of high-performance computing server power supply industry reached RMB4.5 billion globally and RMB1.8 billion in Chinese mainland, growing at a CAGR of 182.3% and 162.1% from 2021, respectively. By 2029, the market size in terms of revenue of high-performance computing server power supply industry is projected to reach RMB147.4 billion globally and RMB34.3 billion in Chinese mainland, growing at a CAGR of 100.9% and 80.3% from 2024, respectively. The anticipated rapid growth is primarily driven by the sustained increase in computing power demand.

Our related products, including application-specific computing server power supplies and AI computing server power supplies, are well-positioned to benefit from this increase in demand given their high energy efficiency, power density and performance. As the market demand is expected to experience sustained growth, and AI and application-specific computing server power supplies continue to be key building blocks of the proliferation of AI technology, we expect to further leverage our core competencies to deepen our penetration into the AI server market and to increase revenue contribution from AI computing server power supplies.

In addition to high-performance computing server power supplies, we also participate in the fast growing market for ESS power conversion, which are primarily used in the consumer market. As global fossil fuel and electricity price volatility drives greater focus on household energy resilience and outdoor power demand, ESS power conversion is becoming an increasingly important growth driver. According to Frost & Sullivan, the market size of ESS power conversion systems industry in Chinese mainland is expected to grow from RMB22.1 billion in 2024 to RMB74.5 billion by 2029, representing a CAGR of 27.5%. Against this backdrop, our ESS power conversion solutions are being developed towards higher energy density, greater conversion efficiency, faster charging speeds and more compact designs to capture this structural growth opportunity.

Downstream Introduction of New Technologies and Solutions

Our growth and financial performance are closely linked to the pace at which next-generation high-performance computing power systems are adopted across downstream industries. In AI and blockchain, the widespread deployment of AI data centers and the rapid increase in demand for GPU and ASIC-based computing hardware have significantly accelerated market expansion and driven higher performance standards for power supplies. Consequently, high-efficiency power conversion and advanced thermal management have become critical for supporting energy-intensive computing operations.

In response, our R&D efforts have been focusing on power supplies featuring industry-leading full-load efficiency, energy-saving design, modular architecture, and strong system adaptability. Key projects include a 20 kW liquid-cooled unit supporting 70°C inlet temperature, a cost-optimized 10 kW oil-cooled model with improved efficiency, and high-density AI power supplies such as a 3,200 W CRPS (100W/in^3) and a 5,500 W OCP unit meeting Ruby standards with 97.5% peak efficiency. These products are designed to support high-end chipsets and demanding supercomputing center environments. For microgrid systems, we are advancing towards mass manufacturing our 800 V DC output, 100 kW AC/DC conversion module and our 600 kW parallel system cabinet with 99% efficiency, designed to provide HVDC power for AI data centers and support integrated computing power and energy storage solutions. Additionally, we are developing a 1 MW PSL integrated computing microgrid system to enable the construction of distributed green computing power systems.

Looking forward, we will continue to build on our product portfolio and collaborative customer relationships, enabling large-scale commercialization of next-generation computing power systems and strengthening our market position as the industry transforms through technological advancement and capacity upgrades.

Product Mix and Market Demand Cycles

Our financial and operating results are closely linked to our product mix and the different demand dynamics present in each of our main business lines, namely (i) Application-Specific Computing Server Power Supply, (ii) AI Computing Server Power Supply, and (iii) ESS Power Conversion. Demand for, and the profitability of the products we sell under each of these business lines are influenced by different market drivers, customer requirements and technological trends in the end markets they serve.

These business lines show different gross margin profiles, reflecting differences in the development stage of the business line, product maturity, pricing models and customer order patterns across business lines. In general, when a business is in its nascent development stage, the average selling price of our products and its gross margin tend to experience significant fluctuations due to various reasons, including pricing strategy to gain market recognition, lower production utilization due to small-batch delivery, and the flexibility to provide customized products at small-batch and higher price. As the business line matures, our production scales up, and the pricing of our products tracks more closely to the overall supply-demand dynamics. As a result, the average selling price of our products and its gross margin tend to normalize. For example, our ESS Power Conversion and AI Computing Server Power Supply are experiencing similar trajectory, though at different stages. Within each business line, different models and specifications may also have different average selling prices. As a result, changes in the relative contribution of these business lines and products to our total revenue can affect our profitability.

Demand trends for these business lines are not uniform. We expect Application-Specific Computing Server Power Supplies and AI Computing Server Power Supplies to be our principal growth drivers, supported by the improvement in and accelerating adoption of AI, machine learning and blockchain technologies, which may in turn lead to more favorable gross margins. More specifically, according to Frost & Sullivan, since 2022, the demand for and price of high-performance application-specific computing server power supply have become less directly correlated with the price of digital asset despite previous strong correlation. Instead, factors such as product performance and specifications, particularly energy efficiency and output power, now play a greater role in purchase decisions. At the same time, we also expect to capitalize on the growing demand for ESS Power Conversion. These differing demand and pricing dynamics can lead to changes in our product mix and profitability fluctuations. Our ability to manage and optimize our product portfolio, allocate capacity among business lines and respond to evolving customer demands will remain critical to sustaining our gross margin, profitability and overall financial performance.

R&D Investment and Innovation

We operate in industries characterized by rapid technological evolution and increasing performance requirements. We believe our ability to continuously design and develop high-performance power supply products is critical to maintaining our technology leadership and supporting our customers in the large-scale commercialization of their next-generation technologies. Therefore, our revenue growth depends on our ability to consistently introduce generational upgrades that align with emerging technologies and our customers' evolving needs.

We have been investing, and expect to continue to invest, in R&D. In 2023, 2024 and the nine months ended September 30, 2025, our R&D expenses were RMB42.3 million, RMB63.2 million and RMB61.2 million, representing 16.2%, 11.4% and 8.1% of our total revenue for the respective periods. Our R&D efforts are aligned with our strategic priorities to reinforce our market position in high-performance power supply solutions. R&D outcomes affect our business in multiple ways, including whether we can maintain and deepen relationships with existing customers, secure new design wins, broaden our portfolio of products and solutions and improve production efficiency.

Ongoing R&D investment may lead to fluctuations in our operating expenses and does not always result in successful commercialization. Nevertheless, we believe that sustained investment in R&D is essential to strengthening our competitive position and is expected to support our long-term revenue growth and profitability.

Manufacturing Capacity and Supply Chain Capabilities

Our manufacturing capacity and supply chain capabilities are critical to meeting customer demands and ensuring the timely delivery of our products. The majority of our customer requirements involve customized solutions. Consequently, our order fulfillment capability hinges on a combination of factors, including adequate manufacturing capacity, stable access to key raw materials, and ability to respond quickly, efficiently and reliably to customized demands.

As demand for our products continues to grow, it is essential that we scale our manufacturing capabilities without compromising product quality or operational efficiency. To achieve this, we have implemented a flexible manufacturing system that allows us to adjust production capacity and allocate resources in line with shifting customer needs. In addition, we have built strong relationships with key suppliers to secure a stable supply of key raw materials and OEM service.

However, we recognize fluctuations in raw material costs, service costs and logistical challenges may impact our ability to meet customer demands on time. These factors could affect our revenue and profitability. To mitigate these risks, we continue to strengthen our supply chain resilience by diversifying our supplier base, optimizing production processes, and implementing advanced capacity planning systems.

Our Ability to Develop New Customers and Maintain Existing Major Customers

We operate in the computing server power supply industry, which is marked by rapid technological cycles and a growing demand for customized products. To maintain our own competitiveness, we must continuously upgrade our product offerings and innovate integrated solutions that align with evolving market and customer needs.

Our ability to maintain our customer base depends on our continued efforts to strengthen collaboration with major customers and strategic partners, as well as our capacity to support them in meeting evolving industry requirements. As demand shifts toward applications such as AI computing, energy-efficient systems and more resilient supply chains, customers increasingly require customized specifications and integrated solutions. To maintain major customer relationships, we must continue to respond to these requirements in a timely manner, ensure stable delivery and provide products that align with their technological and operational needs. Beyond deepening relationships with our existing customers, our business performance and financial results also hinge on our ability to win new customers. We proactively seek to expand our customer base by developing and offering products tailored to meet customized technical requirements. Additionally, our success in attracting new customers is shaped by our marketing initiatives and branding efforts.

BASIS OF PRESENTATION

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied accounting policies that conform with IFRS Accounting Standards throughout the Track Record Period. Any new or amended IFRS Accounting Standards that became effective during the Track Record Period have been applied as appropriate and any new or amendments to standards issued but not yet effective have not been early adopted, unless otherwise disclosed.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 3 to "*Appendix I — Accountants' Report*" to this document sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See Note 4 to "*Appendix I — Accountants' Report*".

Revenue recognition

Sales of power supplies products

We recognize revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods underlying the particular performance obligation is transferred to the customer. Revenue arising from sales of power supplies products is recognized at a point in time when the goods are accepted by the customers after delivery to the customers' premises, since only by that time we pass control of the goods to the customers. Transportation and handling activities that occur before customers obtain control are considered as fulfillment activities. Customers are sometimes required to make percentages of total consideration as prepayment before us deliver the products to customers. Contract liabilities are recognized when consideration is received in which revenue has yet been recognized. All the sales contracts that are unsatisfied are for periods of one year or less. As we apply the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which we must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "*Revenue from Contracts with Customers*". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that we manage together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative, except for a derivative that is not a designated and effective hedging instrument.

Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other income, expenses, gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

We perform impairment assessment under ECL model on financial assets (including trade, notes and other receivables, debt instruments/receivables at FVTOCI, restricted bank deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

We always recognize lifetime ECL for trade receivables. For all other instruments, we measure the impairment loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case we recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which our debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to our core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external (if available) market indicators of credit risk, e.g. a significant increase in the credit spread;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

When contractual payments are more than 30 days past due, we may consider that the credit risk has not increased significantly based on past experience and satisfactory settlement history from the trade debtors.

We assume that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

We regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, we consider an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including us, in full (without taking into account any collaterals held by us). When a financial asset is more than 90 days past due, it may not be considered as in default by us considering the historical and expected subsequent repayment from the trade debtors.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

We write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under our recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. We use a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and the cash flows that we expect to receive, discounted at the original effective interest rate determined at initial recognition.

The ECL on trade receivables with significant outstanding balances or high credit risk on the trade debtors are assessed on an individual basis and the remaining ones are considered on a collective basis taking into consideration the aging of the outstanding balances and relevant credit information such as forward looking macroeconomic information.

The grouping is regularly reviewed by the management of us to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

Except for financial assets at FVTOCI, we recognize an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade, notes and other receivables where the corresponding adjustment is recognized through a loss allowance account. For financial assets at FVTOCI, the loss allowance is recognized in other comprehensive income and accumulated in the reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

We derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If we neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred financial asset, we recognize its retained interest in the asset and an associated liability for amounts it may have to pay. If we retain substantially all the risks and rewards of ownership of a transferred financial asset, we continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of financial assets at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss.

Key Sources of Estimation Uncertainty

The following are the key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Provision of ECL for trade receivables

We perform impairment assessment under ECL model on trade receivables individually and collectively, as set out in Note 3 of *Appendix I — Accountants' Report*.

We determine the ECL for the trade debtors with individually-significant trade receivables or with high credit risk on an individual basis with reference to their past default records (if any), current past due exposure and, where applicable, an analysis of their current financial information and/or publicly available information. We use practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of trade debtors as groupings of various debtors, taking into consideration their historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and our trade receivables are disclosed in Notes 19 and 36 of *Appendix I — Accountants' Report*.

Write-down of inventories

Our inventories are stated at the lower of cost and net realizable value. We write down its inventories based on estimates of the net realizable value with reference to aging and the conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed at the end of each reporting period for write-down, if appropriate. Further details of the inventories are set out in Note 18 of *Appendix I — Accountants' Report*.

RESULTS OF OPERATIONS

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Revenue	261,189	100.0	555,884	100.0	332,193	100.0	751,398	100.0
Cost of sales	(202,039)	(77.4)	(433,861)	(78.0)	(258,971)	(78.0)	(573,339)	(76.3)
Gross profit	**59,150**	**22.6**	**122,023**	**22.0**	**73,222**	**22.0**	**178,059**	**23.7**
Other income, expenses, gains and losses, net	8,300	3.2	12,865	2.3	6,534	2.0	10,179	1.4
Selling and marketing expenses	(4,735)	(1.8)	(6,749)	(1.2)	(4,458)	(1.3)	(5,291)	(0.7)
Administrative expenses	(13,643)	(5.2)	(14,815)	(2.7)	(10,535)	(3.2)	(19,187)	(2.6)
Research and development expenses	(42,258)	(16.2)	(63,231)	(11.4)	(44,602)	(13.4)	(61,174)	(8.1)
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Net impairment losses under expected credit loss ("**ECL**") model	(633)	(0.2)	(972)	(0.2)	(607)	(0.2)	(3,627)	(0.5)
Finance income	229	0.1	1,306	0.2	695	0.2	2,638	0.4
Finance costs	(3,871)	(1.6)	(4,208)	(0.6)	(3,109)	(1.0)	(3,766)	(0.6)
Changes in carrying amounts of redemption liabilities	(1,398)	(0.5)	(6,967)	(1.3)	(3,472)	(1.0)	(11,518)	(1.5)
Profit before tax	**1,141**	**0.4**	**39,252**	**7.1**	**13,668**	**4.1**	**82,041**	**10.9**
Income tax credits (expenses)	3,096	1.2	349	0.0	3,656	1.1	(5,936)	(0.8)
Profit for the year/period attributable to owners of the Company	**4,237**	**1.6**	**39,601**	**7.1**	**17,324**	**5.2**	**76,105**	**10.1**

NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRSs, we also use adjusted profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management to evaluate our operating performance and formulate business plans. However, our adjusted profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRSs.

Adjusted profit (a non-IFRS measure) is defined as profit for the period by adding back the effects of (i) financial costs related to redemption liabilities, (ii) **[REDACTED]**, (iii) changes in carrying amounts of redemption liabilities, and (iv) share-based compensation.

- Financial costs related to redemption liabilities represent fair costs relating to equity instruments issued in our equity financings. The redemption liabilities were terminated on September 30, 2025, and we do not expect to record further financial costs related to such instruments thereafter.

- We exclude **[REDACTED]** with respect to this **[REDACTED]**.

- We exclude changes in carrying amounts of redemption liabilities as such changes are non-cash in nature and do not result in cash outflows, and we do not expect to record further changes related to such instruments after the termination of redemption liabilities on September 30, 2025.

- We also exclude share-based compensation as it is non-cash in nature and does not result in cash outflows.

The following tables reconcile our adjusted profit (a non-IFRS measure) for the periods presented.

	Year ended December 31,		**Nine months ended September 30,**	
	2023	**2024**	**2024**	**2025**
	(in RMB thousands, except for percentages)			
			(unaudited)	
Profit for the year/period	4,237	39,601	17,324	76,105
Add:				
Financial costs — redemption liabilities	3,150	3,285	2,444	2,597
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Changes in carrying amounts of redemption liabilities	1,398	6,967	3,472	11,518
Share-based compensation	2,910	3,945	3,199	3,276
Adjusted profit for the year/period (a non-IFRS measure)	11,695	53,798	26,439	97,768

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

By Business Line

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Application-Specific Computing Server Power Supply	250,359	95.9	402,023	72.3	255,428	76.9	494,128	65.8
AI Computing Server Power Supply	63	0.0	1,668	0.3	373	0.1	2,931	0.4
ESS Power Conversion	10,723	4.1	152,055	27.4	76,286	23.0	254,339	33.8
Others[1]	44	0.0	138	0.0	106	0.0	—	—
Total	**261,189**	**100.0**	**555,884**	**100.0**	**332,193**	**100.0**	**751,398**	**100.0**

Note:

(1) Mainly including revenue from processing services.

By Geographical Location

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Chinese Mainland	257,319	98.5	496,039	89.2	297,463	89.5	490,055	65.2
Outside Chinese Mainland[1]	3,870	1.5	59,845	10.8	34,730	10.5	261,343	34.8
Total	**261,189**	**100.0**	**555,884**	**100.0**	**332,193**	**100.0**	**751,398**	**100.0**

Note:

(1) Mainly including Hong Kong, Singapore, Malaysia and the United States.

During the Track Record Period, a majority of our revenue was from Chinese mainland. Information about our revenue from customers is presented based on the place of incorporation of the immediate customers. Our overseas customers primarily included customers in Hong Kong, Singapore, Malaysia and the United States.

During the Track Record Period, revenue from outside of Chinese mainland continued to increase, primarily attributable to the growth in demand from overseas customers. We expect that the contribution from overseas markets will sustain its growth going forward, as we continue to expand our international customer base and strengthen our presence in key global markets. Consistent with this trend, starting from 2025, we have begun exporting to additional overseas markets, including Singapore and Malaysia, which has further diversified the geographical distribution of our revenue outside Chinese mainland.

Sales Volume and Average Selling Prices

	Years ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(Thousand Unit)	*(RMB '000 /unit)*	*(Thousand Unit)*	*(RMB '000 /unit)*	*(Thousand Unit)*	*(RMB '000 /unit)*	*(Thousand Unit)*	*(RMB '000 /unit)*
Application-Specific Computing Server Power Supply	258.6	1.0	340.3	1.2	216.4	1.2	321.7	1.5
AI Computing Server Power Supply	0.2	0.3	1.4	1.2	0.7	0.5	1.7	1.7
ESS Power Conversion	9.6	1.1	268.5	0.6	127.2	0.6	421.7	0.6

During the Track Record Period, sales volume for our products is generally affected by downstream market demand, customer ordering patterns and the timing of new product launches and ramp-ups. Average selling prices, in turn, are primarily influenced by factors such as product mix, technological sophistication, specifications and customer requirements. Average selling price is calculated by dividing the revenue from a given product category by the corresponding sales volume.

Cost of Sales

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Cost of raw materials	179,683	89.0	390,457	90.0	237,328	91.7	494,301	86.2
Cost of labor	12,798	6.3	23,050	5.3	13,536	5.2	40,969	7.2
Overhead[(1)]	9,558	4.7	20,354	4.7	8,107	3.1	38,069	6.6
Total	**202,039**	**100.0**	**433,861**	**100.0**	**258,971**	**100.0**	**573,339**	**100.0**

Note:

(1) Mainly including depreciation and amortization, OEM service fees, utilities and transportation fees.

Gross Profit and Gross Profit Margin

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Application-Specific Computing Server Power Supply	54,601	21.8	112,074	27.9	70,084	27.4	137,857	27.9
AI Computing Server Power Supply	(5)	(7.9)	779	46.7	17	4.6	1,285	43.8
ESS Power Conversion	4,522	42.2	9,115	6.0	3,095	4.1	38,917	15.3
Others[(1)]	32	72.7	55	39.9	26	24.5	—	—
Total/Overall[(2)]	**59,150**	**22.6**	**122,023**	**22.0**	**73,222**	**22.0**	**178,059**	**23.7**

Notes:

(1) Mainly including gross profit and gross profit margin from processing services.

(2) The overall gross profit margin is calculated as gross profit for the year/period divided by revenue for the corresponding period and multiplied by 100%.

Other income, expenses, gains and losses, net

Our other income, expenses, gains and losses, net consist of (i) government grants relating to our ordinary business activities, such as funding support for R&D projects, (ii) extra-deduction of value-added tax ("**VAT**") representing an additional credit on deductible input VAT for high-technology enterprises, (iii) VAT refund for software products, (iv) gain on changes in fair value of financial assets at FVTPL, net, primarily arising from wealth management products, (v) net (loss) gain on disposal of property, plant and equipment, (vi) net gain on termination of right-of-use assets and lease liabilities, (vii) net foreign exchange gains (losses) and (viii) others, primarily the sales of scrap materials.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Government grants	5,501	66.3	3,914	30.4	3,413	52.2	5,524	54.3
Extra-deduction of value-added tax ("**VAT**")	—	—	2,959	23.0	1,100	16.8	—	—
VAT refund for software products	1,459	17.6	4,487	34.9	1,807	27.7	6,497	63.8
Gain on changes in fair value of financial assets at FVTPL, net	1,060	12.8	901	7.0	677	10.4	529	5.2
Net (loss) gain on disposal of property, plant and equipment	(13)	(0.2)	12	0.1	—	—	(992)	(9.7)
Net gain on termination of right-of-use assets and lease liabilities	—	—	—	—	—	—	538	5.3
Net foreign exchange gains (losses)	173	2.1	520	4.0	(475)	(7.3)	(1,989)	(19.5)
Others[(1)]	120	1.4	72	0.6	12	0.2	72	0.6
Total	**8,300**	**100.0**	**12,865**	**100.0**	**6,534**	**100.0**	**10,179**	**100.0**
as % of total revenue		*3.2*		*2.3*		*2.0*		*1.4*

Note:

(1) Mainly including the sales of scrap materials.

Selling and Marketing Expenses

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	*RMB*	%	*RMB*	%	*RMB*	%
	(in thousands, except for percentages)							
					(unaudited)			
Staff costs	2,368	50.0	3,434	50.9	2,202	49.4	2,417	45.7
Travel expenses	1,791	37.8	2,246	33.3	1,515	34.0	1,791	33.8
Advertising and promotion expenses	13	0.3	76	1.1	69	1.5	539	10.2
Depreciation and amortization	334	7.1	484	7.2	362	8.1	22	0.4
Others(1)	229	4.8	509	7.5	310	7.0	522	9.9
Total	**4,735**	**100.0**	**6,749**	**100.0**	**4,458**	**100.0**	**5,291**	**100.0**
as % of total revenue		*1.8*		*1.2*		*1.3*		*0.7*

Note:

(1) Mainly including rental and office expenses.

Administrative Expenses

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	*RMB*	%	*RMB*	%	*RMB*	%
	(in thousands, except for percentages)							
					(unaudited)			
Staff costs	8,921	65.4	8,662	58.5	6,059	57.5	11,564	60.3
Depreciation and amortization	1,212	8.9	1,718	11.6	1,310	12.5	1,533	8.0
Office expenses	800	5.9	1,126	7.6	875	8.3	1,501	7.8
Travel expenses	611	4.5	966	6.5	635	6.0	1,044	5.4
Consulting services fees(1)	882	6.5	1,320	8.9	947	9.0	808	4.2
Other taxes and surcharges	85	0.6	290	2.0	214	2.0	622	3.2
Renovation expenses	1,002	7.3	75	0.5	8	0.1	258	1.3
Others(2)	130	0.9	658	4.4	487	4.6	1,857	9.8
Total	**13,643**	**100.0**	**14,815**	**100.0**	**10,535**	**100.0**	**19,187**	**100.0**
as % of total revenue		5.2		2.7		3.2		2.6

Notes:

(1) Mainly including fees for financial advisory and IP management services.

(2) Mainly including equipment rental expenses and recruitment and training expenses.

Research and Development Expenses

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Staff costs	30,732	72.7	49,732	78.7	35,487	79.6	48,581	79.4
Depreciation and amortization	3,712	8.8	6,150	9.7	3,915	8.8	5,742	9.4
Materials	1,935	4.6	2,424	3.8	1,770	4.0	3,473	5.7
Testing and certification expenses	1,482	3.5	1,499	2.4	1,135	2.5	1,075	1.8
Technical consulting fees[1]	1,089	2.6	991	1.6	283	0.6	144	0.2
Others[2]	3,308	7.8	2,435	3.8	2,012	4.5	2,159	3.5
Total	**42,258**	**100.0**	**63,231**	**100.0**	**44,602**	**100.0**	**61,174**	**100.0**
as % of total revenue		*16.2*		*11.4*		*13.4*		*8.1*

Notes:

(1) Mainly including fees for joint R&D collaboration.

(2) Mainly including outsourced development fees.

Changes in carrying amounts of redemption liabilities

In 2023, 2024 and nine months ended September 30, 2025, our changes in carrying amounts of redemption liabilities, primarily related to liquidation preference rights and divestment rights, amounted to RMB1.4 million, RMB7.0 million and RMB11.5 million.

Finance Costs-Net

Our finance income primarily consists of interest income from bank deposits. Our finance costs primarily consist of interest expenses on lease liabilities, bank borrowings, discounting receivables at FVTOCI and redemption liabilities.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Finance income:								
-Bank deposits	229	6.3	1,306	45.0	695	28.8	2,638	233.9
Finance interests on:								
-Lease liabilities	(633)	(17.4)	(542)	(18.7)	(419)	(17.4)	(330)	(29.3)
-Bank borrowings	(88)	(2.4)	(359)	(12.4)	(246)	(10.2)	(668)	(59.2)
-Redemption liabilities	(3,150)	(86.5)	(3,285)	(113.2)	(2,444)	(101.2)	(2,597)	(230.2)
-Discounting receivables at FVTOCI	—	—	(22)	(0.7)	—	—	(171)	(15.2)
Subtotal	(3,871)	(106.3)	(4,208)	(145.0)	(3,109)	(128.8)	(3,766)	(333.9)
Finance income/costs-net	**(3,642)**	**(100.0)**	**(2,902)**	**(100.0)**	**(2,414)**	**(100.0)**	**(1,128)**	**(100.0)**

Income Tax Credit (Expense)

We recorded income tax credit of RMB3.1 million in 2023 and RMB0.3 million in 2024, and income tax expense of RMB5.9 million in the nine months ended September 30, 2025. During the Track Record Period and up to the Latest Practicable Date, we fulfilled all our tax obligations and did not have any unresolved tax disputes. The income tax credit in 2023 and 2024 primarily reflected the combined effect of current tax and deferred tax arising from the statutory and preferential income tax rates applicable to the Group's entities. For the statutory tax rate and preferential income tax rates applicable to our Company and our subsidiaries, see Note 10 to "*Appendix I — Accountants' Report*" in this document.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Revenue

	Nine months ended September 30,		
	2024	2025	% Change
	(in RMB thousands, except for percentages)		
Application-Specific Computing Server Power Supply	255,428	494,128	93.5
AI Computing Server Power Supply	373	2,931	685.8
ESS Power Conversion	76,286	254,339	233.4
Others[1]	106	—	(100.0)
Total	**332,193**	**751,398**	**126.2**

Note:

(1) Mainly including revenue from processing services.

Sales Volume and Average Selling Price

	Nine Months Ended September 30,			
	2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price
	(Thousand unit)	*(RMB'000/unit)*	*(Thousand unit)*	*(RMB'000/unit)*
Application-Specific Computing Server Power Supply	216.4	1.2	321.7	1.5
AI Computing Server Power Supply	0.7	0.5	1.7	1.7
ESS Power Conversion	127.2	0.6	421.7	0.6

Our revenue increased by 126.2% from RMB332.2 million for the nine months ended September 30, 2024 to RMB751.4 million for the nine months ended September 30, 2025, as we recorded revenue growth across all our business lines.

Application-Specific Computing Server Power Supply

Our revenue from the sales of application-specific computing server power supplies increased by 93.5% from RMB255.4 million for the nine months ended September 30, 2024 to RMB494.1 million for the same period in 2025, primarily due to (i) an increase in sales volume from 216.4 thousand units for the nine months ended September 30, 2024 to 321.7 thousand units for the same period in 2025, as a result of our acquisition of new customers and an increase in orders from our existing customers, supported by our strong product performance and expanded production capacity, and (ii) an increase in average selling price from RMB1.2 thousand per unit for the nine months ended September 30, 2024 to RMB1.5 thousand per unit for the same period in 2025, driven by a change in product mix, which in turn was the result of an increase in sales of advanced products with high specifications, such as higher power output, conversion efficiency and power density, either separately or in combination.

AI Computing Server Power Supply

Our revenue from the sales of AI computing server power supplies increased by 685.8% from RMB0.4 million for the nine months ended September 30, 2024 to RMB2.9 million for the same period in 2025. In the fourth quarter of 2024, as our AI computing server power supply products matured and gained market acceptance, we began to deliver certain customized products with high performance at higher prices, as opposed to previous pricing strategy to gain recognition. This resulted in increases in sales volume from 0.7 thousand units for the nine months ended September 30, 2024 to 1.7 thousand units for the nine months ended September 30, 2025, and average selling price from RMB0.5 thousand per unit for the nine months ended September 30, 2024 to RMB1.7 thousand per unit for the nine months ended September 30, 2025.

ESS Power Conversion

Our revenue from sales of ESS power conversion products increased by 233.4% from RMB76.3 million for the nine months ended September 30, 2024 to RMB254.3 million for the same period in 2025, primarily due to an increase in sales volume from 127.2 thousand units for the nine months ended September 30, 2024 to 412.7 thousand units for the same period in 2025, driven by strong market demand for our products. In particular, we launched a new product line with a more compact design and higher power output.

Others

Our revenue from sales of other products decreased from RMB0.1 million for the nine months ended September 30, 2024 to nil for the same period in 2025, primarily due to the suspension of processing services.

Cost of Sales

	Nine months ended September 30,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Cost of raw materials	237,328	494,301	108.3
Cost of labor	13,536	40,969	202.7
Overhead[(1)]	8,107	38,069	369.6
Total	**258,971**	**573,339**	**121.4**
as % of total revenue	*78.0*	*76.3*	

Note:

(1) Mainly including depreciation and amortization, OEM service fees, utilities and transportation fees.

Our cost of sales increased by 121.4% from RMB259.0 million for the nine months ended September 30, 2024 to RMB573.3 million for the same period in 2025, primarily due to (i) a 108.3% increase in cost of raw materials, (ii) a 369.6% increase in overhead and (iii) a 202.7% increase in cost of labor. Such increases mainly reflect the growth of our business and expanded production scale.

Gross Profit and Gross Profit Margin

	Nine months ended September 30,			
	2024		**2025**	
	Gross Profit	**Gross Profit Margin**	**Gross Profit**	**Gross Profit Margin**
	(in RMB thousands, except for percentages)			
Application-Specific Computing Server Power Supply	70,084	27.4	137,857	27.9
AI Computing Server Power Supply	17	4.6	1,285	43.8
ESS Power Conversion	3,095	4.1	38,917	15.3
Others[(1)]	26	24.5	—	—
Total/Overall	**73,222**	**22.0**	**178,059**	**23.7**

Note:

(1) Mainly including gross profit and gross profit margin from processing services.

Our gross profit increased by 143.2% from RMB73.2 million for the nine months ended September 30, 2024 to RMB178.1 million for the same period in 2025, primarily due to an improved product mix, as well as effective cost controls in raw materials and production process optimization.

Application-Specific Computing Server Power Supply

Our gross profit from application-specific computing server power supplies increased by 96.7% from RMB70.1 million for the nine months ended September 30, 2024 to RMB137.9 million for the same period in 2025, primarily due to (i) a 93.5% increase in revenue from the sale of application-specific computing server power supply and (ii) an increase in gross profit margin from 27.4% in the nine months ended September 30, 2024 to 27.9% for the same period in 2025, mainly due to the increased proportion of advanced products with high specifications, such as higher power output, conversion efficiency and/or power density.

AI Computing Server Power Supply

Our gross profit from AI computing server power supplies significantly increased from RMB17 thousand for the nine months ended September 30, 2024 to RMB1.3 million for the same period in 2025, primarily due to (i) a 685.8% increase in revenue from the sale of AI computing server power supply and (ii) an increase in gross profit margin from 4.6% in the nine months ended September 30, 2024 to 43.8% for the same period in 2025, as we started to deliver certain customized AI computing server power supply products at higher prices in the fourth quarter of 2024.

ESS Power Conversion

Our gross profit from ESS power conversion products increased by 1,157.4% from RMB3.1 million for the nine months ended September 30, 2024 to RMB38.9 million for the same period in 2025, primarily due to (i) a 233.4% increase in revenue from the sale of ESS power conversion products and (ii) an increase in gross profit margin from 4.1% in the nine months ended September 30, 2024 to 15.3% in the same period in 2025, mainly due to product design optimization that reduced cost.

Others

We recorded a gross profit from others of RMB26 thousand and a gross profit margin of 24.5% for the nine months ended September 30, 2024. For the same period in 2025, the gross profit from others is recorded as nil, primarily due to the suspension of processing services.

Other Income, Expenses, Gains and Losses, Net

Our other income, expenses, gains and losses, net increased by 55.8% from RMB6.5 million for the nine months ended September 30, 2024 to RMB10.2 million for the same period in 2025, primarily due to (i) an increase in VAT refund for software products amounting to RMB4.7 million and (ii) an increase of RMB2.1 million in government grants, partially offset by a decrease of RMB1.1 million in extra-deduction of input value-added tax.

Selling and Marketing Expenses

	Nine months ended September 30,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Selling and Marketing expenses	4,458	5,291	18.7
as % of total revenue	*1.3*	*0.7*	

Our selling and marketing expenses increased by 18.7% from RMB4.5 million for the nine months ended September 30, 2024 to RMB5.3 million for the same period in 2025, primarily due to (i) an increase of RMB0.5 million in advertising and promotion expenses attributable to increased product promotion initiatives, including exhibition participation and promotional brochure production and (ii) an increase of RMB0.3 million in travel expenses attributable to our increase in selling and marketing activities. Our selling and marketing expenses as a percentage of our total revenue decreased due to higher brand recognition and improved sales efficiency, which reduced marginal cost of acquiring new customers amid revenue growth.

Administrative Expenses

	Nine months ended September 30,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Administrative expenses	10,535	19,187	82.1
as % of total revenue	*3.2*	*2.6*	

Our administrative expenses increased by 82.1% from RMB10.5 million for the nine months ended September 30, 2024 to RMB19.2 million for the same period in 2025, primarily due to (i) an increase of RMB5.5 million in staff costs, attributable to an increase in the number of administrative staff, (ii) an increase of RMB0.4 million in travel expenses, in line with our business growth and (iii) an increase of RMB0.6 million in office expenses, attributable to expenditures on office software purchase. Our administrative expenses as a percentage of our total revenue decreased as we benefited from improved economies of scale and management efficiency.

Research and Development Expenses

	Nine months ended September 30,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Research and development expenses	44,602	61,174	37.2
as % of total revenue	*13.4*	*8.1*	

Our research and development expenses increased by 37.2% from RMB44.6 million for the nine months ended September 30, 2024 to RMB61.2 million for the same period in 2025, primarily due to (i) an increase of RMB13.1 million in staff costs, attributable to increased R&D personnel and an increase in average compensation, reflecting our expansion in R&D efforts to develop a wide range of advanced products across business lines and (ii) an increase of RMB1.7 million in material expenses, attributable to the expansion in R&D projects, in line with our business growth. Our research and development expenses as a percentage of our total revenue decreased as we were able to leverage our R&D efficiency to drive revenue growth.

Finance Income

Our finance income increased by 279.6% from RMB0.7 million for the nine months ended September 30, 2024 to RMB2.6 million for the same period in 2025, due to an increase of RMB1.9 million in bank interest income on bank deposit.

Finance Costs

Our finance costs increased by 21.1% from RMB3.1 million for the nine months ended September 30, 2024 to RMB3.8 million for the same period in 2025, primarily due to (i) an increase of RMB1.9 million in bank deposits and (ii) an increase of RMB0.2 million in redemption liabilities.

Income Tax Credit (Expense)

We recorded income tax credit of RMB3.7 million in the nine months ended September 30, 2024 and income tax expense of RMB5.9 million in the same period in 2025, primarily due to deferred income tax expense.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 339.3% from RMB17.3 million for the nine months ended September 30, 2024 to RMB76.1 million for the same period in 2025, and our net profit margin increased from 5.2% for the nine months ended September 30, 2024 to 10.1% for the same period in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

	Year ended December 31,		
	2023	**2024**	**% Change**
	(in RMB thousands, except for percentages)		
Application-Specific Computing Server Power Supply	250,359	402,023	60.6
AI Computing Server Power Supply	63	1,668	2,547.6
ESS Power Conversion	10,723	152,055	1,318.0
Others[1]	44	138	213.6
Total	**261,189**	**555,884**	**112.8**

Note:

(1) Mainly including revenue from processing services.

Sales Volume and Average Selling Price

	Years ended December 31,			
	2023		**2024**	
	Sales volume	**Average selling price**	**Sales volume**	**Average selling price**
	(Thousand /unit)	*(RMB'000/unit)*	*(Thousand /unit)*	*(RMB'000/unit)*
Application-Specific Computing Server Power Supply	258.6	1.0	340.3	1.2
AI Computing Server Power Supply	0.2	0.3	1.4	1.2
ESS Power Conversion	9.6	1.1	268.4	0.6

Our revenue increased by 112.8% from RMB261.2 million in 2023 to RMB555.9 million in 2024, primarily due to the overall growth of market demand and our collaboration with leading customers which strengthened our global market recognition.

Application-Specific Computing Server Power Supply

Our revenue from the sales of application-specific computing server power supplies increased by 60.6% from RMB250.4 million in 2023 to RMB402.0 million in 2024, due to (i) an increase in sales volume from 258.6 thousand units in 2023 to 340.3 thousand units in 2024, as a result of sustained growth in downstream demand and our increased penetration with our major customers, and (ii) an increase in average selling price from RMB1.0 thousand per unit in 2023 to RMB1.2 thousand per unit in 2024, primarily as a result of a change in product mix, whereby we successfully launched and expanded the sales of advanced products with higher power output that carries higher average selling prices.

AI Computing Server Power Supply

Our revenue from the sales of AI computing server power supplies increased significantly from RMB63 thousand in 2023 to RMB1.7 million in 2024. In the fourth quarter of 2024, as our AI computing server power supply products matured and gained recognition, we began to deliver certain customized high-performance products at higher prices and larger scale. As a result, sales volume increased from 0.2 thousand units in 2023 to 1.4 thousand units in 2024, while average selling price increased from RMB0.3 thousand per unit to RMB1.2 thousand per unit over the same periods.

ESS Power Conversion

Our revenue from the sales of ESS power conversion products increased significantly from RMB10.7million in 2023 to RMB152.1 million in 2024, primarily due to (i) an increase in sales volume from 9.6 thousand units in 2023 to 268.4 thousand units in 2024, primarily as a result of the mass production of our ESS power conversion product, and (ii) a decrease in average selling price from RMB1.1 thousand per unit in 2023 to RMB0.6 thousand per unit in 2024, primarily as a result of the shift in product mix in response to customer demand for lower-power and more compact products that have lower prices. In contrast, the products we sold in 2023 were primary customized products with high prices in small batches.

Others

Our revenue from the sales of other products increased by 213.6% from RMB44 thousand in 2023 to RMB0.1 million in 2024, primarily due to our efforts to increase capacity utilization and strengthen operational efficiency.

Cost of Sales

	Year ended December 31,		
	2023	**2024**	**% Change**
	(in RMB thousands, except for percentages)		
Cost of raw materials	179,683	390,457	117.3
Cost of labor	12,798	23,050	80.1
Overhead[(1)]	9,558	20,354	113.0
Total	**202,039**	**433,861**	**114.7**
as % of total revenue	*77.4*	*78.0*	

Note:

(1) Mainly including depreciation and amortization, OEM service fees, utilities and transportation fees.

Our cost of sales increased by 114.7% from RMB202.0 million in 2023 to RMB433.9 million in 2024, primarily due to (i) a 117.3% increase in cost of raw materials, (ii) a 113.0% increase in overhead and (iii) a 80.1% increase in cost of labor, largely in line with our revenue growth. Such increases mainly reflect the growth of our business and expanded production scale.

Gross Profit and Gross Profit Margin

	Year ended December 31,			
	2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*
	(in RMB thousands, except for percentages)			
Application-Specific Computing Server Power Supply	54,601	21.8	112,074	27.9
AI Computing Server Power Supply	(5)	(7.9)	779	46.7
ESS Power Conversion	4,522	42.2	9,115	6.0
Others[(1)]	32	72.7	55	39.9
Total/Overall	**59,150**	**22.6**	**122,023**	**22.0**

Note:

(1) Mainly including gross profit and gross profit margin from processing services.

Our gross profit increased by 106.3% from RMB59.2 million in 2023 to RMB122.0 million in 2024, in line with our increase in revenue.

Application-Specific Computing Server Power Supply

Our gross profit from application-specific computing server power supplies increased by 105.3% from RMB54.6 million in 2023 to RMB112.1 million in 2024, primarily due to (i) a 60.6% increase in revenue from the sales of application-specific computing server power supply and (ii) an increase in gross profit margin from 21.8% in 2023 to 27.9% in 2024, mainly attributable to a change in product mix towards advanced products with higher margins and the ramp-up of production, which lowered per unit fixed costs.

AI Computing Server Power Supply

We recorded a gross profit of RMB0.8 million from AI computing server power supplies in 2024, compared with a gross loss of RMB5 thousand in 2023. As we began to deliver certain customized high-performance products at higher prices in the fourth quarter of 2024, we recorded a gross profit margin of 46.7% in 2024, a significant improvement from a gross loss margin of 7.9%. This, combined with a significant increase in revenue from our sales of AI computing server power supplies in 2024, resulted in the gross profit in 2024.

ESS Power Conversion

Our gross profit from ESS power conversion increased by 101.6% from RMB4.5 million in 2023 to RMB9.1 million in 2024, primarily due to a significant increase in revenue from the sales of ESS power conversion products. This effect was partially offset by a decrease in gross profit margin from 42.2% in 2023 to 6.0% in 2024, mainly attributable to (i) the larger revenue contribution from sales of lower-power and more compact products that have lower prices in response to customer demand, and (ii) the fact that the products we sold in 2023 were primarily customized products with high prices in small batches.

Others

Our gross profit from others increased by 71.9% from RMB32 thousand in 2023 to RMB55 thousand in 2024, primarily due to the expansion of processing services.

Other Income, Expenses, Gains and Losses, Net

Our other income, expenses, gains and losses, net increased by 55.0% from RMB8.3 million in 2023 to RMB12.9 million in 2024, primarily due to (i) an increase of RMB3.0 million in VAT refund for software products and (ii) an increase of RMB3.0 million in extra-deduction of input value-added tax.

Selling and Marketing Expenses

	Year ended December 31,		
	2023	**2024**	**% Change**
	(in RMB thousands, except for percentages)		
Selling and Marketing expenses	4,735	6,749	42.5
as % of total revenue	*1.8*	*1.2*	

Our selling and marketing expenses increased by 42.5% from RMB4.7 million in 2023 to RMB6.7 million in 2024, primarily due to (i) an increase of RMB1.1 million in staff costs attributable to the increase in the number of sales and marketing employees and the average salary, which is in line with our business growth, (ii) an increase of RMB0.5 million in travel expenses attributable to our increase in selling and marketing activities, and (iii) an increase of RMB0.2 million in depreciation and amortization, mainly related to office equipment and software used by selling and marketing employees. Our selling and marketing expenses as a percentage of our total revenue decreased given our higher brand recognition and improved sales efficiency, which reduced marginal cost of acquiring new customers amid revenue growth.

Administrative Expenses

	Year ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	13,643	14,815	8.6
as % of total revenue	*5.2*	*2.7*	

Our administrative expenses increased by 8.6% from RMB13.6 million in 2023 to RMB14.8 million in 2024, primarily due to (i) an increase of RMB0.5 million in depreciation and amortization, mainly related to office equipment and software used by administrative employees, (ii) an increase of RMB0.4 million in consulting services and fees primarily related to our financing activities, and (iii) an increase of RMB0.3 million in office expenses primarily for office software procurement, in line with our business growth. Our administrative expenses as a percentage of our total revenue decreased as our management efficiency improved.

Research and Development Expenses

	Year ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	42,258	63,231	49.6
as % of total revenue	*16.2*	*11.4*	

Our research and development expenses increased by 49.6% from RMB42.3 million in 2023 to RMB63.2 million in 2024, primarily due to an increase of RMB19.0 million in staff costs primarily attributable to the increase in the number of research and development employees and the average salary, which reflects our expansion in R&D efforts to develop a wide range of advanced products across business lines. Our research and development expenses as a percentage of our total revenue decreased as we leveraged our previous R&D results and benefited from strong economies of scale.

Finance Income

Our finance income increased by 470.3% from RMB0.2 million in 2023 to RMB1.3 million in 2024, due to an increase of RMB1.1 million in bank interest income.

Finance Costs

Our finance costs increased by 8.7% from RMB3.9 million in 2023 to RMB4.2 million in 2024, primarily due to an increase of RMB0.3 million in bank borrowings.

Income Tax Credit (Expense)

Our income tax credit (expense) decreased by 88.7% from income tax credit of RMB3.1 million in 2023 to income tax credit of RMB0.3 million in 2024, primarily due to deferred income tax expense.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 834.6% from RMB4.2 million in 2023 to RMB39.6 million in 2024, and our net profit margin increased from 1.6% in 2023 to 7.1% in 2024.

SELECTED BALANCE SHEET ITEMS

Inventories

Our inventories include raw materials, work in progress and finished goods. The table below sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
		(in RMB thousands)	
Raw materials	34,434	74,305	82,933
Work-in-progress	5,921	20,945	21,845
Finished goods	5,106	8,275	40,243
Total	**45,461**	**103,525**	**145,030**

Our inventories increased from RMB45.5 million as of December 31, 2023 to RMB103.5 million as of December 31, 2024, primarily due to (i) an increase in raw materials from RMB34.4 million as of December 31, 2023 to RMB74.3 million as of December 31, 2024, (ii) an increase in work-in-progress from RMB5.9 million as of December 31, 2023 to RMB20.9 million as of

December 31, 2024 and (iii) an increase in finished goods from RMB5.1 million as of December 31, 2023 to RMB8.3 million as of December 31, 2024, reflecting our expansion in raw material procurement, production and storage in line with our increase in sales volume and our business growth.

Our inventories increased from RMB103.5 million as of December 31, 2024 to RMB145.0 million as of September 30, 2025, primarily due to (i) an increase in finished goods from RMB8.3 million as of December 31, 2024 to RMB40.2 million as of September 30, 2025, and (ii) an increase in raw materials from RMB74.3 million as of December 31, 2024 to RM82.9 million as of September 30, 2025, reflecting our expansion in raw material procurement and production in line with increase in sales volume and our business growth.

The table below sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
		(in RMB thousands)	
0 to 179 days	31,753	91,461	120,113
180 days to 359 days	8,492	8,333	21,609
360 days to 719 days	5,216	2,878	1,488
720 days to 1,079 days	—	853	1,820
Total	**45,461**	**103,525**	**145,030**

The table below sets forth the turnover days of our inventories for the year/period indicated.

	Year ended December 31,		Nine months ended September 30,
	2023	**2024**	**2025**
Inventory turnover days[(1)]	87.7	62.7	58.5

Note:

(1) Inventory turnover days for each year/period equals the average of the beginning and ending balances of inventory for that period divided by cost of sales for that year/period and multiplied by 365 days for 2023, and 2024, and by 270 days for the nine months ended September 30, 2025.

During the Track Record Period, our inventory turnover days continued to decrease, as we optimized our inventory management.

As of November 30, 2025, 62.5% of our total inventories as of September 30, 2025, or RMB96.1 million, were utilized or sold.

Trade and Notes Receivables

Trade and notes receivables mainly arise from sales of our products on credit. We periodically conduct credit evaluations of customers who trade on credit. We usually grant credit periods ranging between one to four months to our customers, depending on their operating situations, financial condition and expected transaction volume.

The table below sets forth the breakdown of our trade and notes receivables as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
		(in RMB thousands)	
Trade receivables from			
— third parties	10,914	87,333	180,078
— related parties	17,496	29,321	3,271
Subtotal	28,410	116,654	183,349
Less: impairment loss allowance	(300)	(1,156)	(4,370)
Trade receivables, net	28,110	115,498	178,979
Notes receivables, gross and net	—	25,641	450
Total	**28,110**	**141,139**	**179,429**

Our trade and notes receivables increased from RMB28.1 million as of December 31, 2023 to RMB141.1 million as of December 31, 2024. Such increase was primarily due to our increase in revenue and a substantial increase in demand from customer, to whom we granted more favorable credit terms considering the significant sales volume. It further increased to RMB179.4 million as of September 30, 2025, in line with our revenue growth.

The table below sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
		(in RMB thousands)	
0 to 180 days	27,301	112,823	177,369
Over 181 days	809	2,675	1,610
Total	**28,110**	**115,498**	**178,979**

For further details, see Note 19 to "*Appendix I – Accountants' Report*".

The table below sets forth the turnover days of our trade and notes receivables for the year/period indicated.

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
Trade and notes receivables turnover days(1)	21.9	55.6	57.6

Note:

(1) Trade and notes receivables turnover days for each year/period equals the average of the beginning and ending balances of trade and notes receivables for that year/period divided by revenue for that year/period and multiplied by 365 days for 2023, and 2024, and by 270 days for the nine months ended September 30, 2025.

Our trade and notes receivables turnover days increased from 21.9 days in 2023 to 55.6 days in 2024, primarily attributable to increased sales of products, driven by a substantial increase in customer demand, to whom we granted more favorable credit terms in light of the significant sales volume. For the same reason, our trade and notes receivables turnover days slightly increased from 55.6 days in 2024 to 57.6 days as of September 30, 2025.

As of November 30, 2025, 83.2% of our total trade receivables as of September 30, 2025, or RMB152.5 million, were settled.

Trade and Notes Payables

Our trade and notes payables primarily represent outstanding amounts owed to third parties.

The table below sets forth the breakdown of our trade and notes payables as of the dates indicated.

	As of December 31,		As of September 30,
	2023	2024	2025
		(in RMB thousands)	
Trade payables	36,294	171,423	229,629
Notes payables	51,212	84,881	146,551
Total	**87,506**	**256,304**	**376,180**

Our trade and notes payables increased by 192.9% from RMB87.5 million as of December 31, 2023 to RMB256.3 million as of December 31, 2024, and further increased by 46.8% to RMB376.2 million as of September 30, 2025, as a result of increased purchases and our efforts in obtaining more favorable credit terms leveraging our increasing scale, in line with our business expansion.

The table below sets forth the breakdown of the aging analysis of the trade payables.

	As of December 31,		As of September 30,
	2023	2024	2025
		(in RMB thousands)	
Within 90 days	35,973	170,174	211,858
Over 90 days	321	1,249	17,771
Total	**36,294**	**171,423**	**229,629**

The table below sets forth the turnover days for the trade and notes payables for each year/period indicated.

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
Trade and notes payables turnover days[1] . .	126.0	144.6	148.9

Note:

(1) Trade and notes payables turnover days for each year/period equals the average of the beginning and ending balances of trade and notes payables for that year/period divided by cost of sales for that year/period and multiplied by 365 days for 2023, and 2024, and by 270 days for the nine months ended September 30, 2025.

Our trade and notes payables turnover days increased from 126.0 days in 2023 to 144.6 days in 2024, primarily due to the increased procurement amount, which enable us to secure more favorable credit terms from certain suppliers. Our trade and notes payables turnover days remained stable as of September 30, 2025.

As of November 30, 2025, 68.5% of our trade payables outstanding as of September 30, 2025, or RMB157.4 million, were settled.

Restricted Bank Deposits

We had restricted bank deposits of RMB20.2 million, RMB27.5 million and RMB58.4 million as of December 31, 2023 and 2024 and as of September 30, 2025, respectively, primarily related to margin deposits for bank acceptance notes, which will be released upon settlement.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily include unlisted financial products. The table below sets forth the breakdown of our other current assets of the dates indicated.

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
		(in RMB thousands)	
Unlisted financial products	42,615	10,652	17,667
Total	**42,615**	**10,652**	**17,667**

Our financial assets at FVTPL decreased from RMB42.6 million as of December 31, 2023 to RMB10.7 million as of December 31, 2024, primarily due to the strategic reallocation of cash flows to prioritize operating activities. Our financial assets at FVTPL increased from RMB10.7 million as of December 31, 2024 to RMB17.7 million as of September 30. 2025, primarily due to the allocation of surplus funds to short-term wealth management products following overall capital planning.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operating activities and financing activities. As of September 30, 2025, we had cash and cash equivalents of RMB225.0 million. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and **[REDACTED]** from the **[REDACTED]**.

Taking into account the **[REDACTED]** from the **[REDACTED]** and cash generated from our operating activities available to us, our Directors believe that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of publication of this document.

Cash Flows

The table below sets forth our cash flows for each year/period indicated.

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
		(in RMB thousands)	
Operating cash flows before movements in working capital	21,887	74,027	120,686
Changes in working capital	52,922	78,641	91,302
PRC enterprise income tax paid	(288)	(1,570)	—
Net cash generated from operating activities	74,521	151,098	211,988
Net cash used in investing activities	(92,996)	(109,668)	(124,499)
Net cash generated from/(used in) financing activities	17,751	4,615	55,720
Net increase in cash and cash equivalents	**(724)**	**46,045**	**143,209**
Cash and cash equivalents at beginning of the year	37,415	36,691	82,736
Effects of foreign exchange rate changes	—	—	(986)
Cash and cash equivalents at end of the year/period	**36,691**	**82,736**	**224,959**

Operating Activities

For the nine months ended September 30, 2025, we had net cash generated from operating activities of RMB212.0 million. This was primarily attributable to our profit of the period of RMB82.0 million, adjusted for items mainly including non-operating and non-cash items, primarily comprising (a) depreciation of property, plant and equipment of RMB12.2 million, (b) changes in the carrying amount of redemption liabilities of RMB11.5 million and (c) finance costs of RMB3.8 million. The amount was further affected by changes in working capital, including (a) an increase in trade, notes and other receivables of RMB67.4 million and (b) an increase in inventories of RMB43.4 million, partially offset by (c) an increase in trade, notes and other payables of RMB197.5 million.

In 2024, we had net cash generated from operating activities of RMB151.1 million. This was primarily attributable to our profit of the period of RMB39.3 million, adjusted for items mainly including non-operating and non-cash items, primarily comprising (a) depreciation of property, plant and equipment of RMB11.1 million, (b) changes in the carrying amount of redemption liabilities of RMB7.0 million and (c) depreciation of right-of-use assets of RMB5.1 million. The amount was further affected by changes in working capital, including (a) an increase in inventories of RMB62.5 million and (b) an increase in trade, notes and other receivables of RMB116.0 million, partially offset by (c) an increase in trade, notes and other payables of RMB266.0 million.

In 2023, we had net cash generated from operating activities of RMB74.5 million. This was primarily attributable to our profit of the period of RMB1.1 million, adjusted for items mainly including non-operating and non-cash items comprising (a) depreciation of property, plant and equipment of RMB6.0 million, (b) depreciation of right-of-use assets of RMB4.7 million and (c) finance costs of RMB3.9 million. The amount was further affected by changes in working capital, including an increase in trade, notes and other receivables of RMB23.4 million, partially offset by an increase in trade, notes and other payables of RMB65.6 million and an increase in contract liabilities of RMB7.0 million.

Investing Activities

For the nine months ended September 30, 2025, we had net cash used in investing activities of RMB124.5 million, primarily consisting of (i) placement of restricted bank deposits of RMB131.5 million, (ii) purchase of and deposits paid for acquisition of property, plant and equipment of RMB23.0 million, partially offset by proceeds on disposal of financial assets at FVTPL of RMB20.5 million.

In 2024, we had net cash used in investing activities of RMB109.7 million, primarily consisting of (i) placement of restricted bank deposits of RMB126.0 million, (ii) purchase of and deposits paid for acquisition of property, plant and equipment of RMB34.8 million, and (iii) purchase of financial assets at FVTPL of RMB9.0 million, partially offset by (i) proceeds on disposal of financial assets at FVTPL of RMB122.6 million and (ii) withdrawal of restricted bank deposits of RMB26.8 million.

In 2023, we had net cash used in investing activities of RMB93.0 million, primarily consisting of (i) purchase of financial assets at FVTPL of RMB78.0 million, (ii) placement of restricted bank deposits of RMB42.1 million and (iii) purchase of and deposits paid for acquisition of property, plant and equipment of RMB20.7 million, partially offset by (i) proceeds on disposal of financial assets at FVTPL of RMB47.0 million and (ii) withdrawal of restricted bank deposits of RMB1.8 million.

Financing Activities

For the nine months ended September 30, 2025, we had net cash from financing activities of RMB55.7 million, primarily consisting of (i) new bank borrowings raised of RMB49.0 million and (ii) proceeds from issuance of financial instruments with redemption rights of RMB20.0 million, partially offset by (i) repayment of bank borrowings of RMB9.7 million and (ii) payment of issue costs of RMB0.7 million.

In 2024, we had net cash from financing activities of RMB4.6 million, primarily consisting of (i) new bank borrowings raised of RMB16.5 million, partially offset by (i) repayment of bank borrowings of RMB5.8 million and (ii) payments of lease liabilities of RMB5.2 million.

In 2023, we had net cash from financing activities of RMB17.8 million, primarily consisting of (i) proceeds from issuance of financial instruments with redemption rights of RMB20.0 million and (ii) new bank borrowings raised of RMB5.0 million, partially offset by (i) payments of lease liabilities of RMB4.5 million and (ii) repayment of bank borrowings of RMB2.0 million.

Net Current Assets

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	
	(in RMB thousands)			
				(unaudited)
Current assets:				
Inventories	45,461	103,525	145,030	164,039
Trade and notes receivables	28,110	141,149	179,429	192,742
Other receivables and prepayments	3,641	5,626	31,593	48,150
Financial assets at FVTOCI	—	13,790	—	15,710
Income tax recoverable	23	151	151	151
Financial assets at fair value through profit or loss ("**FVTPL**")	42,615	10,652	17,667	—
Restricted bank deposits	20,213	27,510	58,374	103,590
Cash and cash equivalents	36,691	82,736	224,959	329,466
Total current assets	**176,754**	**385,129**	**657,203**	**853,848**
Current liabilities:				
Trade and notes payables	87,506	256,304	376,180	456,390
Other payables	17,395	25,510	33,173	20,988
Contract liabilities	13,035	7,903	8,864	13,380
Income tax payables	1,442	—	1,208	1,208
Bank borrowings	5,000	15,700	55,000	49,500
Lease liabilities	3,763	5,156	3,653	4,578
Redemption liabilities	9,202	16,169	—	—
Total current liabilities	**137,343**	**326,742**	**478,078**	**546,044**
Net current assets	**39,411**	**58,387**	**179,125**	**307,804**

Comparison between November 30, 2025 and September 30, 2025

Our net current assets increased from RMB179.1 million as of September 30, 2025 to RMB307.8 million as of November 30, 2025, primarily due to (i) an increase in cash and cash equivalents from RMB225.0 million as of September 30, 2025 to RMB329.5 million as of November 30, 2025, (ii) an increase in restricted bank deposits from RMB58.4 million as of September 30, 2025 to RMB103.6 million as of November 30, 2025 and (iii) an increase in trade and notes receivables from RMB179.4 million as of September 30, 2025 to RMB192.7 million as of November 30, 2025, partially offset by an increase in trade and notes payables from RMB376.2 million as of September 30, 2025 to RMB456.4 million as of November 30, 2025.

Comparison between September 30, 2025 and December 31, 2024

Our net current assets increased from RMB58.4 million as of December 31, 2024 to RMB179.1 million as of September 30, 2025, primarily due to (i) an increase in cash and cash equivalents from RMB82.7 million as of December 31, 2024 to RMB225.0 million as of September 30, 2025, (ii) an increase in trade and notes receivables from RMB141.1 million as of December 31, 2024 to RMB179.4 million as of September 30, 2025, and (iii) an increase of inventories from RMB103.5 million as of December 31, 2024 to RMB145.0 million as of September 30, 2025, partially offset by an increase in trade and notes payables from RMB256.3 million as of December 31, 2024 to RMB376.2 million as of September 30, 2025.

Comparison between December 31, 2024 and December 31, 2023

Our net current assets increased from RMB39.4 million as of December 31, 2023 to RMB58.4 million as of December 31, 2024, primarily due to (i) an increase in trade and notes receivables from RMB28.1 million as of December 31, 2023 to RMB141.1 million as of December 31, 2024, (ii) an increase in inventories from RMB45.5 million as of December 31, 2023 to RMB103.5 million as of December 31, 2024, and (iii) an increase in cash and cash equivalents from RMB36.7 million as of December 31, 2023 to RMB82.7 million as of December 31, 2024, partially offset by an increase in trade and notes payables from RMB87.5 million as of December 31, 2023 to RMB256.3 million as of December 31, 2024.

Bank Borrowings

As of December 31, 2023 and 2024 and as of September 30, 2025 and November 30, 2025, we had bank borrowings of RMB5.0 million, RMB15.7 million, RMB55.0 million and RMB49.5 million, respectively. The table below sets forth the categories of our bank borrowings as of the dates indicated.

	As of December 31,		As of September 30,	As of November 30,
	2023	2024	2025	
	(in RMB thousands)			
				(unaudited)
Bank loans, fixed-rate	5,000	15,700	55,000	49,500
Analyzed as				
Secured and guaranteed	—	4,000	4,000	—
Secured and unguaranteed	3,000	—	20,000	20,000
Unsecured and guaranteed	2,000	11,700	2,000	—
Unsecured and unguaranteed	—	—	29,000	29,500
Total	**5,000**	**15,700**	**55,000**	**49,500**

During the Track Record Period, our borrowings were obtained from policy banks and commercial banks, with the effective interest rates ranging from 2.50% to 3.85% per annum. Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. For details, see Note 26 to "*Appendix I — Accountants' Report*".

As of November 30, 2025, we had banking facilities of RMB305.5 million, of which RMB147.7 million remained unutilized.

Lease Liabilities

Our lease liabilities, including current and non-current portions, were primarily in relation to lease of office buildings and production plants.

The balance of our lease liabilities, including both current and non-current portions, decreased from RMB13.4 million as of December 31, 2023 to RMB11.7 million as of December 31, 2024, primarily due to rental payments made during the lease term. The balance of our lease liabilities, including both current and non-current portions, increased from RMB11.7 million as of December 31, 2024 to RMB12.1 million as of September 30, 2025 and further increased to RMB13.0 million as of November 30, 2025, primarily due to the increase of leases.

CONTINGENT LIABILITIES

As of September 30, 2025, we did not have any material contingent liabilities. During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not have any bank and other loans, or any issued and outstanding or agreed to be issued loan capital, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptances (other than ordinary trade notes), acceptance credits, debentures, mortgages, charges, hire purchase commitments or finance lease commitments, guarantees or other material contingent liabilities.

Our Directors confirm that there has not been any material change in our indebtedness since September 30, 2025 and up to the Latest Practicable Date. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we did not have any material defaults or breaches of covenants in repayment of indebtedness.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

The table below sets forth the capital expenditure for the periods indicated.

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024 (unaudited)		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentage)							
Purchase of and deposits paid for acquisition of property, plant and equipment	20,680	92.3	34,839	99.6	21,280	99.6	23,010	99.2
Purchase of intangible assets	1,721	7.7	123	0.4	96	0.4	182	0.8
Total	**22,401**	**100.0**	**34,962**	**100.0**	**21,376**	**100.0**	**23,192**	**100.0**

During the Track Record Period, our capital expenditure was primarily for purchase of and deposits paid for acquisition of property, plant and equipment.

We plan to continue capital expenditures to support our business growth and expansion strategy. See "*Future Plans and Use of* **[REDACTED]** — *Use of* **[REDACTED]**". We intend to fund these expenditures with available financial resources, including cash generated from operations, **[REDACTED]** from the **[REDACTED]**, and potential future equity or debt financing.

Capital Commitments

The table below sets forth the capital commitments as of the dates indicated.

	As of December 31,				As of September 30,	
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in RMB thousands, except for percentage)					
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Historical Financial Information	3,359	100.0	12,948	100.0	5,292	100.0
Total	**3,359**	**100.0**	**12,948**	**100.0**	**5,292**	**100.0**

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for each year/period indicated.

	Year ended/as of December 31,		Nine months ended/as of September 30,
	2023	2024	2025
Gross profit margin[(1)]	22.6	22.0	23.7
Net profit margin[(2)]	1.6	7.1	10.1
Gearing ratio[(3)]	43.2	28.5	20.8
Return on assets[(4)]	2.2	11.3	16.6
Return on equity[(5)]	41.5	118.7	63.5

Notes:

(1) Gross profit margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(2) Net profit margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(3) Gearing ratio is calculated based on the borrowings as of the end of the relevant year/period divided by the total equity as of the end of the relevant year/period and multiplied by 100%.

(4) Return on assets is calculated based on net profit for the year/period divided by the average total assets as of the beginning and end of the year/period. For the nine months ended September 30, 2025, the ratio is annualized by multiplying the nine-month figure by 12/9.

(5) Return on equity is calculated based on the total profit/(loss) for the relevant year/period divided by the average balance of total equity as of the beginning and end of the year/period and multiplied by 100%. For the nine months ended September 30, 2025, the ratio is annualized by multiplying the nine-month figure by 12/9. Return on equity for the nine months ended September 30, 2025 was affected by the reversal of redemption liabilities to equity as of September 30, 2025 and the Series B Pre-**[REDACTED]** Investment completed on September 30, 2025, which resulted in a significant increase in total equity at that date.

TRANSACTIONS WITH SHENZHEN MICROBT GROUP

During the Track Record Period, Shenzhen MicroBT Group and its subsidiaries ("**Shenzhen MicroBT Group**") was a related party of ours until December 2025. See Note 37(a) to "*Appendix I — Accountants' Report*" for our transactions with Shenzhen MicroBT during the Track Record Period. We have maintained a strategic and mutually beneficial relationship with Shenzhen MicroBT Group. We cooperate with Shenzhen MicroBT Group in various areas, primarily including sales of application-specific computing server power supply products and sales of ESS power conversion products. In 2023, 2024 and the nine months ended September 30, 2025, from our transaction with Shenzhen MicroBT, we generated revenues of RMB234.9 million, RMB284.3 million and RMB176.7 million, representing approximately 89.9%, 51.1% and 23.5% of our revenues for the respective periods.

Going forward, we will continue to engage in various types of transactions with Shenzhen MicroBT Group. Our Directors believe that the related party transactions were carried out on an arm's length basis and will not distort our results during the Track Record Period or make such results not reflective of our future performance.

DISCLOSURE ABOUT FINANCIAL RISK

The main risks arising from our financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. See Note 36 to "*Appendix I — Accountants' Report*".

Currency Risk

The Group and the Company have foreign currency transactions, including sales, which expose the Group to foreign currency risk. Certain of the Group's and the Company's bank balances and trade receivables are denominated in currencies other than the functional currency of us and expose to such foreign currency risk.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to fixed-rate cash and cash equivalents, bank borrowings, lease liabilities and redemption liabilities. We are also exposed to cash flow interest rate risk in relation to floating-rate restricted bank deposits and cash and cash equivalents. We manage our interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Credit Risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to us. We consider all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

Our maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognized financial assets is the carrying amount of those assets stated in the consolidated statements of financial position.

Liquidity Risk

Our management monitor and maintain levels of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows. To manage our liquidity risk, we monitor and maintain a level of cash and bank balances and unused banking facilities deemed adequate by management to finance our operations and mitigate the effects of fluctuations in cash flows.

Capital Risk Management

We manage our capital to ensure that our entities will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. Our overall strategy remains unchanged.

Our capital structure consists of net debt, which includes bank borrowings, lease liabilities and redemption liabilities disclosed in Notes 26, 27 and 28 to "*Appendix I — Accountants' Report*", respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising paid-in capital and various reserves.

Our management reviews the capital structure from time to time. As a part of this review, our management considers the cost of capital and the risks associated with its capital. Based on recommendations of our management, we will balance our overall capital structure through the issue of new shares, new debts or the redemption of existing debts.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of manufacturing partners. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

DIVIDEND POLICY

Upon completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval by our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. As of the Latest Practicable Date, we did not have any dividend policy. Regulations in the PRC currently permit payment of dividends of a PRC company only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in Chinese mainland.

DISTRIBUTABLE RESERVE

As of December 31, 2024, our Company has retained profits of RMB57.3 million.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE 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 that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] FINANCIAL INFORMATION

For details, see "*Appendix II — Unaudited* **[REDACTED]** *Financial Information*".

[REDACTED]

[REDACTED] represent [professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**]. Our **[REDACTED]** are estimated to be approximately HK$**[REDACTED]** million (including **[REDACTED]**) accounting for **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** range stated in this document and the **[REDACTED]** is not exercised). Among our **[REDACTED]**, approximately HK$**[REDACTED]** million is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately HK$**[REDACTED]** million has been or will be charged to our consolidated statement of comprehensive income. The **[REDACTED]** we incurred in the Track Record Period and expect to incur would consist of approximately HK$**[REDACTED]** million **[REDACTED]** related expenses and fees (including **[REDACTED]**, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$**[REDACTED]** million **[REDACTED]**-related expenses and fees including fees for the Sole Sponsor, legal advisors and reporting accountant and approximately HK$**[REDACTED]** million for other **[REDACTED]**-related fees and expenses.

The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE AND RECENT DEVELOPMENTS

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since September 30, 2025, and there has been no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.