This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the **[REDACTED]**.

There are risks associated with any investment. Some of the particular risks in investing in the **[REDACTED]** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

We are an IDM company in the magnetic sensor industry. We are among the few companies worldwide with a complete magnetic sensing technology portfolio and full vertical integration across the entire industry value chain. This has enabled us to provide one-stop magnetic sensor solutions to leading customers across diverse industries globally, including green energy, NEV and automotive, industrial automation and robotics, and AI infrastructure and data centers. According to Frost & Sullivan, we ranked sixth globally among magnetic sensor IDM companies and tenth among all magnetic sensor companies in terms of revenue in 2024, with a market share of 0.6%.

We operate under an integrated IDM operating model that delivers complete control and optimization across the entire value chain, from chip design and wafer manufacturing through module design and manufacturing, offering end-to-end solutions to our customers. Our IDM operations maintain an international footprint spanning advanced wafer manufacturing in Germany and comprehensive operations across China, enabling us to capture domestic opportunities with our Sinomags brand and serve international markets through our established Sensitec brand for comprehensive market coverage.

We specialize particularly in xMR sensors which are increasingly sought after for high-end and more demanding applications. According to Frost & Sullivan, we ranked fifth globally in terms of revenue derived from xMR sensors in 2024, with a market share of 1.4%. We offer a broad range of magnetic sensor solutions, primarily including current sensors and motion sensors of varying specifications and features. According to Frost & Sullivan, in terms of revenue in 2024, our current sensor products ranked third globally, with a market share of 3.4%.

Our Business Model

We operate under an integrated IDM model that enables deep collaboration with our customers to explore application scenarios, drive technology validation, and define products. This collaborative approach ensures our solutions meet the evolving needs of customers across different industries with various application scenarios. This integrated foundation enables us to deliver efficient R&D, flexible and independent manufacturing, and robust business stability while driving innovation and leadership in defining products for emerging application scenarios and particularly for xMR sensors. .

Unlike the fabless model where companies depend on external foundries for production of sensor chips and are often constrained by the capabilities of their partners, the IDM model combines both design and manufacturing of chips and wafer in-house. Despite heavy capital investment and R&D spending during the initial expansion phase , the long-term benefits of the IDM approach outweigh these early expenditures. Such advantages include stronger integration between design and manufacturing, improved production capacity and supply reliability, cost efficiencies from large-scale operations, and ongoing advancements in technology and processes.

Our Market Opportunities

In recent years, the steady growth in green energy, NEVs, industrial automation and advanced manufacturing, and consumer electronics has driven a sustained increase in the demand for magnetic sensors. Emerging fields such as third-generation semiconductor devices, embodied intelligence, AI computing, and advanced robotics are also expected to drive market growth. Within this expanding market, xMR sensors are experiencing particularly strong growth due to their significant advantages in sensitivity, power consumption, response speed, accuracy, and stability in extreme environments. Even more significant is the growth trajectory of TMR sensors, a specialized subset of xMR technology that utilizes quantum tunneling magnetoresistance effects, offering superior sensitivity, lower power consumption, and enhanced thermal stability ideal for demanding high-end applications such as precision motor control, advanced automotive safety systems, and industrial automation and humanoid robotics systems. In China specifically, this technology differentiation is even more pronounced, with both xMR and TMR sensors expected to achieve higher growth rates. These market dynamics underscore the significant opportunities ahead, particularly for companies with advanced xMR and TMR sensor capabilities, such as us.

Our Operational and Financial Performance

Despite the decrease in our revenue from RMB666.3 million in 2022 to RMB594.2 million in 2023 mainly attributable to softening demand for current sensors from the photovoltaic industry partially offset by growing demand for motion sensors in the consumer electronics industry, our revenue increased significantly by 18.4% to RMB703.4 million in 2024. Additionally, our revenue increased by 15.1% from RMB544.5 million for the nine months ended September 30, 2024 to RMB626.7 million for the same period in 2025.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths contribute to our market position, ensuring our success and distinguishing us from our competitors: (i) A Magnetic Sensor IDM Enterprise in the Global Magnetic Sensor Industry with Comprehensive Proprietary Technologies Across All Magnetic Sensing Technologies and Vertically Integrated Value Chain Capabilities; (ii) Vertically Integrated IDM Model Enabling Rapid Response, Sustained Innovation and Multi-Sector Expansion; (iii) Comprehensive Technology Capabilities and Innovation Achievements; (iv) Global Presence and International Capabilities Supporting Market Position; and (v) Experienced Management Team and Skilled Talent Base.

OUR STRATEGIES

We believe the following strategies position us well to capitalize on future opportunities and deliver continued growth: (i) Expand Product Portfolio and Capture Emerging Market Opportunities to Strengthen Our Competitive Advantage; (ii) Increase R&D Investment and Strengthen R&D Collaboration with Industry Leaders to Maintain Technological Leadership, Expand Market Influence and Enhance Long-term Competitive Position; (iii) Strengthen Our IDM Business Model; (iv) Enhance Global Market Presence and Build International Brand Recognition; and (v) Foster Industry Collaboration and Mutual Technology Development Through Strategic Integration to Further Strengthen Our Competitive Advantages.

OUR PRODUCTS AND SOLUTIONS

During the Track Record Period, our revenue was mainly derived from sales of magnetic sensor including primarily current sensors and motion sensors in both chip and module forms. The table below sets out a breakdown of our revenue by business line for the periods indicated.

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB thousands except for percentages									
							(unaudited)			
Current Sensor[1]	538,058	80.8	463,842	78.1	581,546	82.7	455,338	83.6	517,001	82.5
Motion Sensors	96,313	14.5	99,149	16.7	87,816	12.5	65,637	12.1	72,053	11.5
— Module	*53,000*	*8.0*	*45,673*	*7.7*	*41,911*	*6.0*	*26,024*	*4.8*	*32,969*	*5.3*
— Bare die	*43,313*	*6.5*	*53,476*	*9.0*	*45,905*	*6.5*	*39,613*	*7.3*	*39,084*	*6.2*
Others[2]	31,938	4.7	31,215	5.2	34,052	4.8	23,484	4.3	37,602	6.0
Total	**666,309**	**100.0**	**594,206**	**100.0**	**703,414**	**100.0**	**544,459**	**100.0**	**626,656**	**100.0**

Note:

(1) We offer current sensors in both module and bare die (unpackaged chips) form, while the revenue contribution from bare die current sensors during the Track Record Period was insignificant compared to our overall current sensor business.

(2) Primarily includes magnetic pattern recognition scanners, magnetic switches and wafers.

The table below sets out a breakdown of sales volume and average selling price by business line for the periods indicated.

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	Units'000	*RMB per unit*	*Units'000*	*RMB per unit*	*Units'000*	*RMB per unit*	*Units'000*	*RMB per unit*	*Units'000*	*RMB per unit*
Current Sensors	59,983	8.97	44,261	10.48	53,262	10.92	43,065	10.57	52,428	9.86
Motion Sensors[1]	19,159	5.03	26,808	3.70	32,914	2.67	23,806	2.76	33,856	2.13
— Module	*1,564*	*33.89*	*904*	*50.52*	*964*	*43.48*	*613*	*42.47*	*800*	*41.21*
— Bare die[2]	*17,595*	*2.46*	*25,904*	*2.06*	*31,949*	*1.44*	*23,193*	*1.71*	*33,056*	*1.18*
Others	9,692	3.30	11,948	2.61	20,746	1.64	10,756	2.18	36,924	1.02
Overall	**88,834**	**7.50**	**83,017**	**7.16**	**106,921**	**6.58**	**77,627**	**7.01**	**123,208**	**5.09**

Note:

(1) The relatively lower average selling price of motion sensors compared to current sensors is primarily because we offer motion sensors in both chip and module forms, with bare die (unpackaged chips) typically having lower unit prices than packaged modules.

(2) Sales of bare die include individual chips and wafers which can yield around thousands to tens of thousands of chips.

The average selling price of current sensors is lower than that of motion sensors (module form) primarily because current sensors are designed for simpler functions such as to measure electrical current keeping manufacturing costs low. In contrast, motion sensors encoders are significantly more complex. It is generally designed for high-precision digital output for accurate measurement of position, angle and speed . These higher technical demands result in greater manufacturing costs and added value. Additionally, current sensors typically are produced in large volumes for a highly competitive, standardized mass markets, leading to lower average prices, whereas, motion sensors generally target more high-end and specialized industrial application, and benefit from greater pricing power due to lower volumes and fewer suppliers.

RESEARCH AND DEVELOPMENT

Our strong R&D capabilities have allowed us to establish our technological advantage and keep up with the rapid technological advancement in the magnetic sensor industry. As of September 30, 2025, we had a team of 136 R&D professionals, representing approximately 12.8% of our total staff count. Our research and development centers are strategically located domestically and internationally to allow our R&D teams to keep up with the cutting-edge industry developments while promoting collaboration between research teams and manufacturing personnel.

PRODUCTION

We have adopted a vertically integrated IDM model that provides in-house control over the key stages of the value chain from design and manufacturing of magnetic sensor chips through to the design and manufacturing of magnetic sensor modules. This integrated operational framework fosters coordination and synergy across our operations in China and overseas, ensuring the quality and reliability of our magnetic sensor products while providing stable production capacities to meet the demanding and tailored requirements of automotive, new energy, and industrial automation customers. As of the Latest Practicable Date, we had two domestic production bases, namely, Bengbu module production base, and Ningbo module production base, and two overseas productions bases in Germany, namely Wetzlar module production base and Mainz wafer factory.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

We procure from suppliers a variety of materials necessary for the manufacturing of our products, including five major categories: ASIC chips and PCBs, injection molding plastic parts and metal structural parts, magnetic materials, circuit parts (capacitors, resistors) and wafer production materials (silicon wafer-base, chemicals). In 2022, 2023 and 2024 and the nine months ended September 30, 2025, purchases from our largest supplier in each period during the Track Record Period accounted for 9.4%, 7.0%, 8.4% and 6.5%, respectively, of our total purchase amount during those periods. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each period during the Track Record Period accounted for 32.5%, 24.7%, 25.7% and 23.0%, respectively, of our total purchase amount during those periods.

SALES AND MARKETING

During the Track Record Period, our products and solutions were primarily sold in the PRC. Our revenue generated from sales in the PRC accounted for 83.2%, 81.4%, 84.7%, 84.8% and 86.4% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025.

We have two main categories of customers: (i) direct sales customers who are end users purchasing our products and solutions directly; and (ii) distributors. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2024, revenue from direct sales accounted for 44.7%, 53.6%, 49.3%, 46.7% and 44.9% of our total revenue for the respective periods.

In 2022, 2023 and 2024 and the nine months ended September 30, 2025, revenue generated from our largest customer in each period during the Track Record Period accounted for 31.3%, 24.6%, 20.9% and 14.3%, respectively, of our total revenue during those periods. For the same periods, revenue generated from our five largest customers in each period during the Track Record Period accounted for 65.2%, 62.4%, 62.5% and 58.5%, respectively, of our total revenue during those periods.

RISK FACTORS

Our business and the **[REDACTED]** involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of our major risks we face include: (i) Our business growth and prospects depend on our ability to continuously innovate and enhance our existing products and solutions ; (ii) The magnetic sensor industry is highly competitive. If we are not able to compete successfully, our business, results of operation and prospects will be harmed; (iii) Our products are primarily used by end customers of downstream industries and sectors. Factors that adversely affect these industries and sectors or our end customer base therein may adversely impact our business, financial condition and results of operations; (iv) A substantial amount of our revenue is attributable to a limited number of customers in each period, and such amount may fluctuate in any given period; and (v) If we are unable to manufacture or deliver high quality products on schedule and on a large scale, our business may be materially and adversely affected.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The table below sets forth our consolidated statements of profit or loss for the periods indicated derived from the Accountant's Report included in Appendix I to this Document:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	666,309	594,206	703,414	544,459	626,656
Cost of sales	(564,241)	(487,541)	(582,487)	(449,473)	(473,744)
Gross profit	102,068	106,665	120,927	94,986	152,912
Other income	10,449	27,678	33,858	29,454	10,014
Other gains or losses, net	(1,195,320)	(49,112)	25	158	(852)
Change in fair value of financial assets at fair value through profit or loss	158	616	3,267	1,881	3,864
Provision for impairment losses under expected credit losses ("**ECL**") model, net of reversal	(2,229)	(4,908)	1,321	(9,319)	(3,824)
Selling expenses	(10,825)	(12,535)	(16,308)	(11,533)	(12,222)
Administrative expenses	(61,792)	(82,500)	(78,243)	(59,468)	(55,204)
Research and development expenses	(42,685)	(50,919)	(53,654)	(39,592)	(39,818)
Finance costs	(9,943)	(4,452)	(3,411)	(2,595)	(2,109)
Share of results of an associate	—	—	—	—	234
[REDACTED] expenses	—	—	—	—	(9,498)
(Loss)/profit before tax	(1,210,119)	(69,467)	7,782	3,972	43,497
Income tax credit/(expenses)	3,972	2,905	2,070	2,334	(3,725)
(Loss)/profit for the year/period	(1,206,147)	(66,562)	9,852	6,306	39,772

We recorded net losses in 2022 and 2023 as a result of change in fair value of redemption liabilities recognized as other net losses derived from the special rights granted to investors during several rounds of financings of our Company since the date of incorporation. Our loss for the year narrowed down from RMB1,206.1 million in 2022 to RMB66.6 million in 2023, primarily attributable to the decrease in change in fair value of redemption liabilities recognized as other net losses from RMB1,195.2 million in 2022 to RMB47.7 million in 2023 because the valuation of our Group increased significantly in 2022 due to several equity financings and transfers in the year. As the relevant special rights granted to investors were terminated in August 2023, the carrying amount of the redemption liabilities had been reclassified to equity and we no longer recorded any change in fair value of redemption liabilities thereafter. We therefore recognized net profit of RMB9.9 million in 2024, which further increased to RMB39.8 million for the nine months ended September 30, 2025 alongside our business expansion.

Non-IFRS Measure

The following table sets forth a reconciliation of the adjusted net (loss)/profit (a non-IFRS measure) for the year/period indicated to the (loss)/profit for the year/period:

	Year ended December 31,			Nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Loss)/profit for the year/period	(1,206,147)	(66,562)	9,852	6,306	39,772
Adjustments for:					
Change in fair value of redemption liabilities	1,195,165	47,747	—	—	—
Equity-settled share-based payment expenses	109	1,567	1,432	1,053	866
[REDACTED] expenses	—	—	—	—	9,498
Adjusted net (loss)/profit (a non-IFRS measure)	**(10,873)**	**(17,248)**	**11,284**	**7,359**	**50,136**

For details, see "Financial Information — Non-IFRS Measure".

Our adjusted net loss (non-IFRS measure) in 2022 was primarily attributable to (i) significant research and development expenses incurred in the year for new product development, and (ii) low yield rate of our Bengbu module production base resulting from newly added production lines. Our adjusted net loss (non-IFRS measure) in 2023 was mainly due to (i) increased depreciation charges arising from purchases of equipment for a new production line by our German subsidiary, coupled with elevated energy costs in Germany during the same year, and (ii) a slight decline in sales of current sensors as a result of softening demand from downstream industries. Since 2024, we have achieved effective cost control through disciplined capital expenditure management and yield improvement, which eventually led to our turnaround to adjusted net profit (non-IFRS measure) position.

Summary of Consolidated Balance Sheets

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	284,731	342,626	323,997	478,853
Total current assets	1,238,750	1,019,817	1,060,822	1,022,865
Total current liabilities	1,013,612	181,698	192,039	201,992
Total non-current liabilities	1,955,406	127,073	85,482	91,197
Total assets	1,523,481	1,362,443	1,384,819	1,501,718
Net current assets	225,138	838,119	868,783	820,873
Net (liabilities)/assets	(1,445,537)	1,053,672	1,107,298	1,208,529

Our net current assets decreased by 5.5% from RMB868.8 million as of December 31, 2024 to RMB820.9 million as of September 30, 2025, primarily due to (i) a decrease in cash and bank balances of RMB148.9 million and (ii) an increase in other payables and accrual of RMB25.8 million, partially offset by (iii) an increase in financial assets at fair value through profit or loss of RMB54.1 million, (iv) an increase in inventories of RMB37.8 million and (v) a decrease in borrowings of RMB24.0 million. Our net current assets remained relatively stable at RMB838.1 million and RMB868.8 million as of December 31, 2023 and 2024, respectively. Our net current assets increased significantly by 272.3% from RMB225.1 million as of December 31, 2022 to RMB838.1 million as of December 31, 2023, primarily due to the decrease in other payable and accruals of RMB675.1 million mainly attributable to the settlement of advance from investors of RMB661.2 million.

We recorded net liabilities of RMB1,445.5 million as of December 31, 2022, primarily attributable to the redemption liabilities in relation to the special rights granted to investors during several rounds of financings of our Company since the date of incorporation. The relevant special rights granted to investors were terminated in August 2023, following which the carrying amount of the redemption liabilities had been reclassified to equity. As a result, we turned to net asset position as of December 31, 2023. Our net assets increased from RMB1,053.7 million as of December 31, 2023 to RMB1,107.3 million as of December 31, 2024, primarily due to capital contribution from non-controlling shareholders of RMB53.0 million and profit for the year of RMB9.9 million. Our net assets further increased to RMB1,208.5 million, primarily due to change in ownership interest in a subsidiary without loss of control of RMB45.5 million and profit for the period of RMB39.8 million.

Summary of Consolidated Statement of Cash Flow

The following table sets forth our cash flows for the periods indicated.

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net cash (used in)/generated from operating activities	(77,053)	(30,207)	3,569	5,656	54,055
Net cash used in investing activities	(171,062)	(10,529)	(180,512)	(229,661)	(214,323)
Net cash generated from/(used in) financing activities	668,702	(78,379)	32,977	11,022	5,577

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net increase/(decrease) in cash and cash equivalents	420,587	(119,115)	(143,966)	(212,983)	(154,691)
Cash and cash equivalents at beginning of year/period	152,458	576,420	462,183	462,183	314,195
Exchange gains	3,375	4,878	(4,022)	727	5,802
Cash and cash equivalents at the end of year/period	576,420	462,183	314,195	249,927	165,306

We recorded net cash used in operating activities of RMB77.1 million in 2022, primarily due to the increase in trade receivables of RMB129.5 million following our growing credit sales. We recorded net cash used in operating activities of RMB30.2 million in 2023, primarily due to the decrease in trade and bills receivables totaling RMB90.0 million mainly attributable to the decrease in our procurement as a result of our declined revenue. We turned to net operating cash inflow positions in 2024 and the nine months ended September 30, 2025, primarily driven by our revenue growth and enhanced collection efforts for receivables. Please see "Financial Information — Liquidity and Capital Resources" for details of our cash flows.

KEY FINANCIAL RATIOS

The following tables set out our key financial ratios as of the dates indicated:

	Year ended/As of December 31,			Nine months ended/As of September 30,
	2022	2023	2024	2025
Gross profit margin (%)	15.3	18.0	17.2	24.4
Current ratio (times)	1.2	5.6	5.5	5.1
Quick ratio (times)	1.0	4.2	4.2	3.6
Gearing ratio (%)	(140.6)	12.8	10.7	8.4

Please see "Financial Information — Key Financial Ratios" for descriptions of the calculation of the above ratios.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, none of our Company, any of our subsidiaries or any directors has been involved in any material legal, arbitral or administrative proceedings that may have a material adverse effect on our Group's business, financial condition or results of operations. We have been and are currently involved in various patent disputes with a Chinese magnetic sensor company, including patent invalidation proceedings and intellectual property infringement claims and related administrative litigation in PRC courts. As of the Latest Practicable Date, several of such patent invalidation proceedings are ongoing. For details, see "Business — Legal Proceedings and Compliance." As of the Latest Practicable Date, we have also been involved in an ongoing shareholders dispute. See "History, Development and Corporate Structure — Our Principal Subsidiaries."

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

OUR SINGLE LARGEST SHAREHOLDER GROUP

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares are issued under the **[REDACTED]** and the **[REDACTED]**, and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and **[REDACTED]**, the Single Largest Shareholders Group will be entitled to collectively control the exercise of approximately **[REDACTED]**% of the total voting rights of our Company. See "Relationship with the Single Largest Shareholders Group."

[REDACTED] INVESTORS

We have attracted certain **[REDACTED]** Investors and completed seven rounds of financing as of the Latest Practicable Date. Our **[REDACTED]** Investors include FIIF, our substantial Shareholder holding 15.79% of the issued Shares as of the Latest Practicable Date and **[REDACTED]**% of the issued Shares upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** and the **[REDACTED]** has not been exercised and no new Shares would be issued from the Latest Practicable Date to the date of **[REDACTED]**).

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute non-exempt continuing connected transactions of our Company under the Listing Rules following the **[REDACTED]**. For further details, see "Connected Transactions."

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** H Shares are newly issued in the **[REDACTED]**, (ii) the **[REDACTED]** and the **[REDACTED]** for the **[REDACTED]** are not exercised, and (iii) **[REDACTED]** Shares are issued and outstanding following the completion of the **[REDACTED]**:

	Based on an [REDACTED] of HK$[REDACTED] per Share	Based on an [REDACTED] of HK$[REDACTED] per Share
Market capitalization of our Shares(1)(2)	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted net tangible assets per Share(3)	HK$**[REDACTED]** (RMB**[REDACTED]**)	HK$**[REDACTED]** (RMB**[REDACTED]**)

Notes:

(1) The calculation of market capitalization of our Shares is based on **[REDACTED]** H Shares expected to be in issue immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** and the **[REDACTED]** are not exercised). For details, see "Share Capital — Upon Completion of the **[REDACTED]**."

(2) The calculation of market capitalization is based on the **[REDACTED]** Shares expected to be in issue following the completion of the **[REDACTED]**.

(3) The unaudited **[REDACTED]** adjusted net tangible asset per Share as of September 30, 2025 is calculated after making the adjustments referred to in Appendix II and on the basis that **[REDACTED]** Shares are expected to be in issue immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** and the **[REDACTED]** are not exercised).

For the calculation of the unaudited **[REDACTED]** adjusted net tangible asset value per Share attributed to our Shareholders, see the section headed "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** of between HK$**[REDACTED]** and HK$**[REDACTED]** per H Share), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** commissions and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** and the **[REDACTED]** are not exercised. We intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below: (i) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, will be used for the construction and operation of a new research and production base in Wuxi, Jiangsu province; (ii) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for our research and development efforts to enrich our product portfolio and further penetrate emerging application scenarios and maintain our technical edge; (iii) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used to upgrade our wafer production lines in Germany; (iv) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for potential strategic investments and/or acquisitions; and (v) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used for our working capital and other general corporate purposes.

DIVIDEND

During the Track Record Period, we did not declare or distribute any dividend. The decision on whether to pay dividends and the amount will be subject to our Articles of Association and applicable laws and regulations . We currently do not have a formal dividend policy. No dividend will be declared or paid expect out of our profits and reserves legally available for distribution. For details, see "Financial Information — Dividend Policy".

[REDACTED] EXPENSES

Based on the mid-point **[REDACTED]** of HK$**[REDACTED]**, the total estimated **[REDACTED]** expenses in relation to the **[REDACTED]** is approximately HK$**[REDACTED]**, or **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, assuming no new Shares are issued under the **[REDACTED]**. Such estimated total **[REDACTED]** expenses include (i) **[REDACTED]** related expenses of approximately HK$**[REDACTED]**; (ii) fees and expenses of our legal advisors and reporting accountant of approximately HK$**[REDACTED]**; and (iii) other fees and expenses of approximately HK$**[REDACTED]**. We recorded **[REDACTED]** expenses charged to our consolidated statement of profit or loss of RMB**[REDACTED]** for the nine months ended September 30, 2025, and accrued **[REDACTED]** expenses charged to consolidated statement of financial position of RMB**[REDACTED]** as of September 30, 2025. **[REDACTED]** expenses of approximately HK$**[REDACTED]**, is expected to be charged to our consolidated statement of profit or loss and **[REDACTED]** expenses of approximately HK$**[REDACTED]** will be deducted from equity upon **[REDACTED]** under the relevant accounting standard. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the **[REDACTED]** of, and the permission to **[REDACTED]**, the H Shares in issue and to be **[REDACTED]** pursuant to the **[REDACTED]** (including any Shares which may be issued pursuant to the exercise of the **[REDACTED]** and the **[REDACTED]**) and **[REDACTED]** of the Unlisted Shares into H Shares. We satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to, among other things, (i) our revenue for the year ended December 31, 2024 of over HK$500 million, and (ii) our expected market capitalization at the time of the **[REDACTED]** based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the indicative **[REDACTED]**) exceeds HK$4 billion, as required by Rule 8.05(3) of the Listing Rules.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the periods reported on in the Accountants' Report included in Appendix I to this document, and there is no event since September 30, 2025 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.