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OVERVIEW

Who We Are

We are one of the world’s leading providers of micro- and nanofabrication solutions, offering a comprehensive product portfolio primarily encompassing micro-electro-mechanical system (“MEMS”) micro- and nanofabrication components, semiconductor test probes, and miniature transmission systems. We seek to empower global customers with one-stop micro- and nanofabrication solutions and to be a world-class driver of innovation. Our history can be traced back to June 2012 when our Company was established. In 2025, we ranked second in the global MEMS acoustic module micro- and nanofabrication components market in terms of revenue in 2025 with a market share of 12.4%, according to Frost & Sullivan. In the global semiconductor final test (“FT”) probe market, we ranked first among PRC-based companies and fourth among all providers worldwide with a market share of 6.6%. As of the Latest Practicable Date, we were one of only a few PRC-based companies exporting semiconductor FT probes to overseas markets. We were also the first PRC-based company to achieve large-scale production of coaxial probes.

We design and manufacture high-precision micro-scale components and systems serving the semiconductor and advanced manufacturing industries. Our principal products include: (i) *MEMS micro- and nanofabrication components*, which are miniaturized structural devices, including shielding covers, micro-mechanical structures, and microscopic connectors used in acoustic and pressure sensors. Our MEMS components are integrated into smartphones, AR/VR headsets, medical hearing aids, and Bluetooth speakers for voice capture, noise control, and barometric sensing; (ii) *semiconductor test probes*, which are critical consumables that form electrical connections between test equipment and chips during design verification, wafer-level testing, and post-packaging testing. Our probes are used for testing logic, memory, analog, power, and RF devices that power 5G smartphones and AI/data-center computing; and (iii) *miniature transmission systems*, which are precision mechanical assemblies comprising micro motors, gears, and related components that enable power transmission and motion conversion in compact spaces. Our miniature transmission systems serve as drive trains in household robots and smart home appliances requiring quiet operation, durability, and precise motion control.

With a customer-led development culture, we integrate product design with end-use scenarios through co-development with customers, which has enabled us to enter the core supply chains of leading consumer electronics and semiconductor companies and to extend into downstream applications in AI, high-performance computing, robotics, and 5G. We serve international brands in consumer electronics, semiconductors and medical devices. Our engagement model is based on joint development, with dedicated cross-functional teams aligned to each key account’s technology roadmap from early design through qualification and ramp-up. This approach increases customer stickiness, embeds our know-how in customer solutions, and raises entry barriers to entry.

Our Performance

During the Track Record Period, we experienced robust growth. Our revenue increased from RMB285.5 million in 2023 to RMB567.9 million in 2024, and further to RMB864.2 million in 2025.

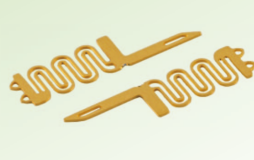
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Below are our achievements over the years:

Leading Market Position	Extensive Market Reach	Robust Financial Performance
 World’s No. 2 in the MEMS acoustic module micro- and nanofabrication components market in terms of revenue in 2025	 Market Penetration supplied to seven of the top 10 global smartphone brands in terms of shipment volume in 2025 as of the Latest Practicable Date	 RMB864.2 million revenue in 2025
 World’s No. 4, China’s No. 1 in the global semiconductor FT probe market in terms of revenue in 2025	 One of Only a Few PRC-based company to export semiconductor FT probes to overseas markets as of the Latest Practicable Date	 CAGR 74.0% of revenue from 2023 to 2025
 First PRC-based company to achieve large-scale production of coaxial probes	 International reach sold to 22 countries and regions overseas as of the Latest Practicable Date	 Over 50 % year-on-year growth rate of export volume in 2025 compared to 2024

Our Offerings

We offer three principal product categories: (i) MEMS micro- and nanofabrication components; (ii) semiconductor test probes; and (iii) miniature transmission systems. The diagram below illustrates our diversified product portfolio across three categories as of the Latest Practicable Date.

MEMS micro- and nanofabrication components	   
  	Semiconductor test probes
Miniature transmission systems	

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- In MEMS micro- and nanofabrication components, we are an approved supplier to leading international brands and deeply participate in their global supply chains. Our MEMS micro- and nanofabrication components are customized to customer specifications. Our portfolio includes (i) electromagnetic interference (“EMI”) shielding covers that protect against magnetic interference and heat while safeguarding chips and other devices in smartphone camera modules, acoustic components and optical lenses; (ii) precision structural parts that protect internal components, provide thermal management and fastening, and integrate functional modules within constrained envelopes; and (iii) micro connectors and related parts that provide electrical and acoustic connectivity and enable signal and data transmission.

Our MEMS micro- and nanofabrication components are widely adopted in mainstream consumer electronics. As of the Latest Practicable Date, our products had been designed into smartphones sold by seven of the world’s top 10 smartphone brands by shipment volume in 2025, according to Frost & Sullivan. We also serve downstream sectors, including medical devices, which generally offer higher margins and attractive growth prospects.

- In semiconductor testing, we supply (i) FT probes and sockets for back-end testing after packaging; (ii) chip probing (“CP”) probes and probe cards for wafer sort before dicing; and (iii) substrate-level test pins for high-density interconnect (“HDI”) and integrated circuit (“IC”) substrates. We are extending our line-up with MEMS-process CP probes and substrate-level fine-pitch solutions to address advanced technology nodes and higher test densities. We design and develop customer-specific products to meet wafer- and chip-level test requirements. Certain subunits, such as probes, clamp lids and thermal management structures, are standardized as modules that can be configured and integrated in different combinations to deliver the final product in accordance with customer specifications.

We have qualified with top international semiconductor designers and manufacturers serving the AI, automotive and consumer electronics end-markets, demonstrating our capability to deliver high-reliability products at scale with competitive yields.

- In miniature transmission systems, we develop high-strength plastic gears, gear trains, and related assemblies for robotics and smart devices. Our miniature transmission systems are customized to customer specifications. We initially targeted cleaning robots and have expanded to additional applications such as drones and other consumer robotics platforms. For cleaning robots, we are developing precision gearbox assemblies that we anticipate will become a significant contributor to revenue over time. In collaboration with a global leading drone manufacturer, we are developing lightweight miniaturized transmission systems for use in gimbal and flight-control assemblies. As of the Latest Practicable Date, we had completed engineering and design validation builds and commenced pilot production runs for customer qualification.

Our Technologies

We are committed to continuous development in micro- and nanofabrication. Guided by a focus on technology and our customers, we deliver one-stop solutions across the value chain to global blue-chip customers. As of December 31, 2025, our R&D team comprised 152 professionals with

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relevant industry experience gained at our company and at leading domestic and multinational micro- and nanofabrication companies. Our R&D agenda is tightly aligned with customer needs and our market strategy. In parallel, we invest in foundational research into properties of materials and pursue a forward-looking research pipeline to position us at the forefront of the industry.

We have continuously enhanced our micro-precision stamping capabilities. We are experienced in high-speed, high-precision, and complex deep-draw stamping. Leveraging our micro-precision stamping capabilities, integrated with micro-injection molding, we deliver industry-leading performance. Generally, our stamping-based process has replaced conventional machining. Through optimized design, mold development, and process verification, this approach has achieved a stabilized yield of around 95%, reduced unit costs, and demonstrated strong scalability. The molds and process parameters can be reused for similar products, effectively supporting large-scale and cost-efficient production. Microphones incorporating our EMI shields have achieved signal-to-noise ratios (“SNR”) of approximately 73 to 75 dB, compared with an industry average of approximately 70 dB.

Our semiconductor test probe business has an established position in FT probes and is developing CP probes and substrate test pins to strengthen our technical capabilities further and expand our product portfolio. These products address fine pitch and high-density applications and are designed to deliver consistently high yields. Designed to handle higher current levels, our probes address a wider range of semiconductor testing scenarios. We have adopted a laser-based fabrication process for our semiconductor test probes. Compared with the prior electroplating process, probes produced using this method exhibit higher material density and greater mechanical strength, enhancing durability in use. In the field of industrial surface treatment, conventional electroplating processes are associated with drawbacks such as high risk of chemical pollution and weak coating adhesion, typically limiting the lifespan of probes to around 500 thousand to 1 million test cycles. In contrast, the laser-based fabrication process employs high-energy-density lasers to clad metal powder layer by layer, resulting in higher material density, enhanced mechanical strength, and improved durability — with test lifespans of up to approximately 1.5 million cycle and a capacity of up to 30,000 pins per probe.

Drawing on our accumulated technology and process expertise, we enable customers to develop and produce products that reduce cost and improve performance. For example, we worked with a customer to redesign the manufacturing route for a pressure-sensor shielding cover, replacing conventional machining with a stamping-based process. We led design-for-manufacture, tooling development and process validation, enabling volume production with shorter cycle times, higher throughput and more stable yields, thereby reducing unit costs and improving scalability. The solution has since been referenced for comparable components and has helped establish a preferred process pathway for such parts.

Market Opportunities

We operate in fast-growing markets with significant potential. We believe our end markets are supported by several structural growth drivers, including:

- *MEMS micro- and nanofabrication components.* MEMS sensors continue to penetrate consumer, automotive, industrial, medical and communications markets. The convergence of AI and the Internet of Things (“IoT”) is raising requirements for sensor accuracy, intelligence and density. In AI applications, tighter specifications for data acquisition are making MEMS sensors a critical underpinning hardware layer. In IoT deployments,

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increasing system complexity and node counts drive higher sensor content per device. These trends are expected to support sustained growth in demand for MEMS precision components and related micro- and nanofabrication solutions.

- *Semiconductor test probes.* Rapid advances in AI computing are increasing both the volume and the complexity of semiconductor testing. Growing shipments of AI processors are expected to drive higher demand for semiconductor test probes across front-end CP and back-end FT. At the same time, process node transitions and more complex device architectures are raising test intensity and technical requirements — finer pitch, tighter planarity, and more stringent thermal control — which, in turn, increase value per pin.

Advanced packaging, particularly chiplet architectures, is scaling quickly. Disaggregating large system on chip (“SoC”) into multiple chiplets requires full die-level screening at the chiplet stage to protect yield, materially increasing consumption of probes, probe cards, and related test equipment. As chiplet solutions move from 2D to 2.5D and 3D integration, test density and complexity continue to rise, expanding the addressable market for fine-pitch, high-reliability probes and supporting the volume ramp of our semiconductor test probe products.

- *Miniature transmission systems.* Emerging applications in robotics and intelligent devices are creating new demand for miniature transmission systems. The growth of robotic vacuum cleaners, together with the expected expansion of use cases for next-generation humanoid and autonomous platforms, is increasing the requirements for high-strength micro gears, gear trains, and compact gearboxes.

Global Strategy and Outlook

We are executing a global strategy to access top engineering talents, stay close to key customers and enhance supply chain resilience. During the Track Record Period, we primarily relied on resources in the Chinese Mainland, notably our research and development and manufacturing capabilities, to support overseas operations, while capitalizing on the distinct locational advantages of our subsidiaries in different markets. As part of our global strategy, we have established specialized subsidiaries in key markets with R&D and commercial functions. We have subsidiaries in Japan, Switzerland, the U.S. and Singapore, forming a network that spans R&D, production and sales. Our Japan subsidiary focuses on probe card R&D, design and validation, and our Switzerland subsidiary develops ultra-precision automation equipment. Our U.S. subsidiary serves customers across North America, while our Singapore subsidiary functions as our marketing hub for Southeast Asia. Through this global footprint, we aim to shorten lead times, strengthen field support, and accelerate customer qualifications, while deepening relationships with existing blue-chip customers and increasing our share within those accounts.

OUR COMPETITIVE STRENGTHS

Market-leading position underpinned by advanced micro- and nanofabrication capabilities

We are one of the world’s leading providers of micro- and nanofabrication solutions, specializing in the design, development and production of MEMS micro- and nanofabrication components and semiconductor test probes. We are also applying our micro- and nanofabrication know-how to enter the miniature transmission systems market. Our history has shaped our capabilities and informs our

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strategy. Since our inception in 2012, we have been an early mover in the micro- and nanofabrication industry. In 2012, when the industry was still at an early stage, we identified the potential of MEMS across consumer electronics and committed to focused R&D in MEMS components. We have invested consistently since then to advance our technologies and to keep pace with, and at times drive, industry progress. In 2017, recognizing the strategic importance of semiconductors, we leveraged our micro- and nanofabrication expertise to build and launch a comprehensive portfolio of semiconductor test probes for FT applications. These decisions placed us in markets that benefit from both rising unit volumes and increasing content per device, and in which approved incumbents are typically retained, helping to preserve market share.

Consistent strategy execution has produced leadership, as reflected in our rankings across our market segments and our embedded roles in the supply chains of leading global customers.

According to Frost & Sullivan, by revenue in 2025:

- We ranked second in the global MEMS acoustic module micro- and nanofabrication components market with a market share of 12.4%;
- In the global semiconductor FT probe market, we ranked first among PRC-based companies and fourth among all providers with a market share of 6.6%;
- As of the Latest Practicable Date, we were one of only a few PRC-based companies exporting semiconductor FT probes; and
- We were the first PRC-based company to achieve large-scale production of coaxial probes.

Embedded in blue-chip customer workflows with rapid response, achieving high customer retention

Delivering highly customized solutions is a core competitive advantage that builds durable, long-term relationships and an expanding customer base. These relationships, in turn, are the foundation of sustained growth in micro- and nanofabrication. We pursue a design-in strategy, engaging early in key accounts’ development cycles and leveraging advanced micro-mold design, assembly and commissioning capabilities, and purpose-built equipment and processes. Joint R&D and customization secure qualification of our solutions in customers’ production flows, creating switching costs and supporting high retention.

In addition to our design-in expertise, our customers require reliable, fast delivery and flexibility to adapt to their program changes. Our responsiveness accelerates customers’ development cycles and can confer a competitive advantage. Our end-to-end capabilities from design to manufacturing enable us to respond to specific customer needs within short timeframes. Early engagement and focused R&D, coupled with flexible, scalable lines that ramp quickly, enable rapid redeployment across products and markets and an efficient response to diverse customer needs.

For micro- and nanofabrication components, structural design is critical in determining end-product performance. Even for parts destined for the same end product, design differences can materially affect performance and reliability. As a result, customers typically require bespoke structural solutions and place a premium on suppliers’ customization capabilities. We have prioritized building these capabilities and working with customers from the earliest product definition and front-end design

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stages through manufacturing. Our deep involvement across the full product lifecycle continually strengthens our customization capabilities, creating a reinforcing cycle of learning and improvement. Over time, we have developed strong product and mold design competencies, mature process engineering capabilities, and extensive experience optimizing the structural design of precision micro-electronic components and devices.

As of the Latest Practicable Date, we had been qualified into the supply chains of leading global consumer electronics companies and had become a major supplier to leading semiconductor manufacturers. Entry into their supply chains typically requires lengthy qualification cycles, stringent reliability and yield performance, and full process traceability. Our export track record in FT test probes further reflects our ability to meet international customer standards on performance, quality and delivery consistency. Supplier qualification for our products typically takes several months to a year. Once qualified, replacement by a new supplier generally requires requalification of critical processes, which supports customer retention and pricing stability.

Integrated R&D-to-manufacturing, enabling efficient commercialization and scalable output

Sustained innovation in micro- and nanofabrication, is the cornerstone of our business. Through joint development programs with industry leaders, our engineers have developed deep familiarity with international technical standards and customer qualification processes, helping ensure our products meet demanding customer requirements.

Over time, we have built strong technical capabilities across each of our focus areas.

- In MEMS micro- and nanofabrication components and miniature transmission systems, we have developed advanced tooling and mold design capabilities. We are experienced in high-speed, high-precision, and complex deep-draw stamping. Leveraging our micro-precision stamping capabilities, integrated with micro-injection molding, we deliver industry-leading performance. Microphones incorporating our EMI shields have achieved SNR of approximately 73 to 75 dB, compared with an industry average of approximately 70 dB.
- In semiconductor test probes, we have established significant R&D and process know-how across key barriers to entry, including (i) structural design of probe architectures; (ii) high-frequency signal-integrity modeling and optimization for insertion loss and return loss; (iii) micro-precision metal forming; (iv) micrometer-scale, low-roughness surface finishing; and (v) dedicated, high-yield probe assembly lines. Development cycles for certain core technologies can exceed three years, reinforcing the high technical threshold for new entrants. We have built capabilities across these areas and continue to invest to extend our lead.

Our capabilities are evidenced by our internally developed CP probes, FT probes, sockets, and wafer probe cards, which are used in testing AI processors, power management ICs, and 5G RF chips. By advancing materials science, including improving probe conductivity and durability under high-temperature, high-current conditions, and by refining manufacturing processes such as micrometer-precision micro-stamping and electroplating, we believe we have achieved advances in segments historically dominated by international suppliers. Our Blade-C and Blade-D probe series, designed for high-precision testing of AI and

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power-management chips, maintain stability and durability from -50°C to 175°C and, based on internal testing, deliver approximately 15% lower contact resistance and 20% higher durability versus prior-generation designs under specified conditions.

Our technology portfolio is reflected in our intellectual property. As of the Latest Practicable Date, we held 122 granted patents, and had cumulatively filed 216 patent applications in the PRC. As of the same date, we were also granted two patents in the U.S.

Robust quality control delivering consistency at scale

We specialize in high-volume micro- and nanofabrication, consistently achieving high production yields. In the micro- and nanofabrication industry, final test yield is a critical metric for evaluating a company’s manufacturing capabilities. This yield represents the percentage of fully manufactured and packaged devices that successfully pass all final quality assurance and performance tests before shipment to the customer. During the Track Record Period, our production yields for MEMS micro- and nanofabrication components, semiconductor test probes and miniature transmission systems remained high and improved year over year. The final test yields for MEMS micro- and nanofabrication components were 93.5%, 94.6% and 93.1% in 2023, 2024 and 2025, respectively; while our semiconductor test probes achieved 96.8%, 97.3% and 96.3%. Since commercial launch, our miniature transmission systems achieved final test yields of 98.4% in 2023, 98.3% in 2024, and 95.3% in 2025. By comparison, the 2024 industry-average yields were 93.0% for MEMS micro- and nanofabrication components, 95.0% for semiconductor test probes, and 95.0% for miniature transmission systems. Our sustained high final test yields, which surpass the industry average, represent a cornerstone of our core competitive advantage. This lead, while seemingly marginal, delivers exponential value across our business. First, on a financial level, it translates directly into significant cost advantages. A higher yield minimizes scrap costs and enhances both capital and production efficiency, allowing us to meet market demand with fewer resources, thereby driving superior profitability and gross margins. Second, from an operational and technical standpoint, this achievement is a testament to our exceptional control over the hundreds of complex process steps, from wafer fabrication to final testing. It signifies a mature manufacturing process, stable product performance, and greater supply chain predictability, forming a robust technological moat. Ultimately, at the market and customer level, high yield is synonymous with superior product quality and long-term reliability. This has earned us deep-seated trust from our clients, especially those in mission-critical sectors. This solidifies our position as a preferred, low-risk supplier and provides a firm foundation for our sustainable growth and market expansion.

We have spent more than a decade building core competencies in manufacturing technologies and production processes, which we believe gives us a first-mover advantage in this field. Our customers apply rigorous supplier-approval procedures. Our status as a key supplier and our strategic relationships with several leading global companies demonstrate our manufacturing capacity and quality performance. These capabilities enable efficient resource allocation and rapid, large-scale production ramp-ups. We believe our accumulated industry know-how and micro- and nanofabrication experience create a high barrier to entry for potential competitors.

Multiple global OEMs have validated our production capabilities. In MEMS acoustic components, our EMI shielding covers have been designed into flagship true wireless stereo (“TWS”) earbuds from a leading global consumer electronics brand, a category with stringent acoustic performance requirements.

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Experienced leadership team and disciplined execution supporting long-term growth

Our development has been guided by an experienced and forward-looking management team with deep expertise in micro- and nanofabrication. Since our founding in 2012, when MEMS, microfabrication and nanofabrication technologies were still nascent, both the market and our Company have evolved significantly. Throughout this period of change, our management has made sound strategic decisions that allowed us to adapt to change, strengthen our competitive position, and achieve long-term growth.

Our senior management is supported by specialized functional departments with deep industry expertise. These teams pair disciplined execution with a sharp focus on customers. We work to understand the exacting needs of leading global customers and respond with speed and precision. We break down internal barriers, share resources, and cultivate partnerships that create mutual value. We hold ourselves to high standards of integrity and accountability, act responsibly toward all stakeholders, and remain focused on long-term value creation. We believe these strengths and values are the foundation of our sustainable growth.

Our execution capabilities are exemplified by our R&D and sales and delivery teams.

- We prioritize building a technically sophisticated R&D team, as we believe talent is critical to sustaining our competitive position. As of December 31, 2025, we had a globally oriented R&D team of approximately 152 professionals. Our team includes professionals with prior working experience at international industry leaders.
- Our sales and delivery team, led by seasoned professionals, works closely with our engineering team to accelerate delivery while maintaining consistently high quality.

OUR STRATEGIES

Accelerating technology innovation and R&D to maintain technology leadership

We plan to increase investment in innovation while remaining focused on customer needs, product enhancement and quality assurance. We will continue to upgrade our product portfolio. We intend to focus on the R&D of MEMS acoustic and optical components. We also plan to develop high-pin-count semiconductor test probes capable of high-frequency, high-current operation, and miniature transmission systems for deployment across multiple industries.

We intend to establish a global R&D footprint through the organic integration of our PRC-based R&D headquarters with our international R&D centers into a unified platform. In particular, we plan to continue to invest in talent and capabilities, add senior technical leaders and strengthen training across all levels. We are refining our performance management and incentive programs to reward contributions in research, product innovation, and intellectual property, to sustain a scalable, high-performing R&D organization.

The implementation of this strategy will be supported by the [REDACTED] from the [REDACTED], which will primarily be used to advance the R&D of next-generation products, including high-end semiconductor FT probes for AI chips, soft and flexible probe technologies and test sockets, as well as thermal management solutions for GPU chips. These initiatives are expected to

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enhance our capabilities in advanced materials, micro-structure design and high-frequency signal integrity optimization, and further strengthen our competitiveness in AI computing, high-performance memory and next-generation semiconductor applications.

We will also expand our R&D team across our MEMS, semiconductor test probe and miniature transmission systems business lines, which will enhance our innovation capacity and accelerate the commercialization of R&D outcomes.

Pursuing joint development with leading customers to strengthen customer engagement

We are refining our joint development model to collaborate more closely with customers and address their specific requirements. In addition to responding to customer specifications, we intend to leverage our design-in capabilities to shape and lead the design and development of their future products. For each major customer, we plan to establish a dedicated cross-functional team spanning R&D, engineering, procurement and quality. In total, we plan to establish 10 to 15 cross-functional teams, each team comprising approximately 3 to 5 representatives from each participating department. These teams will align with the customer’s technology roadmap, engage earlier in the development cycle and shorten time to qualification. We believe this approach will strengthen customer engagement, embed our practical know-how in customer platforms and raise entry barriers for new market participants.

We will improve cross-functional coordination and align our product lines to deliver a unified offering. We will strengthen the partner ecosystem that supports our MEMS portfolio covering key suppliers, manufacturing partners and channels, and deepen our coverage in China and international markets. Through co-development with industry leaders, we plan to accelerate commercialization, expand our technical accumulation and upgrade our marketing toolkits. We will pool resources across our domestic and overseas subsidiaries and leverage major trade shows and industry associations to enhance go-to-market execution. Our objective is to deepen engagement with key accounts, increase our share of customer spending and gain market share.

The expansion of our sales and marketing team and enhancement of our customer-facing technical support capabilities are expected to facilitate earlier customer engagement, strengthen joint development execution and improve customer conversion and retention rates. In addition, we intend to pursue selective strategic investments in companies within our sector or along our downstream value chain. Such investments are expected to complement our joint development strategy by enhancing our access to complementary technologies, expanding our solution offerings and strengthening collaboration with ecosystem partners.

Expanding our overseas footprint to increase international reach and market share

The global micro- and nanofabrication industry offers meaningful growth opportunities. According to Frost & Sullivan, the global MEMS market is projected to grow from RMB124.6 billion in 2025 to RMB170.9 billion by 2030, at a CAGR of 6.7 % from 2026 to 2030; the global semiconductor test probe market is expected to expand from RMB12.1 billion to RMB16.7 billion over the same period, at a CAGR of 6.6% from 2026 to 2030; while the global miniature transmission systems in sweeping robot market is forecast to increase from RMB10.7 billion in 2025 to RMB23.1 billion in 2030, at a CAGR of 17.0% from 2026 to 2030.

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We are building a global operating platform that leverages regional strengths, keeps us close to customers, gives us access to top talent and mitigates supply-chain risk. Through subsidiaries in Japan, Switzerland, the U.S. and Singapore, we have established a network spanning R&D, manufacturing and sales. Our Japan subsidiary will focus on developing CP probe technologies for high-performance computing and memory devices. Our Switzerland subsidiary will focus on developing ultra-precision automation equipment and advancing assembly technologies. Our U.S. subsidiary serves the North American market, and our Singapore subsidiary serves as our Southeast Asia marketing hub. Through this global footprint, we aim to deepen relationships with existing international blue-chip customers, increase our share within those accounts and win new customers with meaningful market influence.

Our efforts to upgrade and expand our domestic and overseas marketing and distribution networks are expected to strengthen our localized sales capabilities, enhance brand visibility in key overseas markets and improve sales execution efficiency.

OUR BUSINESS MODEL

We provide end-to-end micro- and nanofabrication solutions tailored to customer requirements. We design and manufacture to customer specifications, combining design enablement, prototyping, pilot runs, volume manufacturing, packaging and test under one roof, allowing customers to move from concept to qualified production with a single partner.

Our products are highly customized, with design, structure, dimensions and performance parameters tailored to the requirements of individual customers and end-brand original equipment manufacturers (“OEMs”). Therefore, we primarily collaborate with component and end-product manufacturers to jointly design and develop products. In most cases, we deploy engineers to participate in front-end design with module manufacturers or end customers, jointly defining technical specifications and the manufacturing plan; following internal and customer review, we proceed to tooling and pilot production and commence volume supply upon customer acceptance of pilot lots. In other cases, customers provide drawings or design requirements. We evaluate the initial design, discuss proposed modifications with the customer, and agree on the final design and manufacturing plan, after which we design tooling and conduct pilot runs. Upon customer approval of the pilot, we move to mass production.

By engaging at the earliest stages of product design, we gain a comprehensive understanding of our customers’ strategic objectives and the blueprint of their end-product development. Leveraging these insights, we utilize our industry-leading micro-nano fabrication capabilities to deliver products that align seamlessly with our customers’ requirements.

OUR PRODUCTS

We have developed a comprehensive product portfolio, primarily encompassing MEMS micro- and nanofabrication components, semiconductor test probes, and miniature transmission systems. Our MEMS micro- and nanofabrication components are sold to MEMS sensor manufacturers, primarily for acoustic and pressure sensing. Our semiconductor test probes are purchased by major chipmakers and independent semiconductor testing service providers; they are key consumables used in packaging and test. Our miniature transmission systems are supplied to cleaning robot OEMs.

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Our products can be used across semiconductor manufacturing and electronics production, automotive electronics, security and surveillance, consumer electronics and smart devices, industrial and IoT, and healthcare devices. EMI shielding covers are used with MEMS sensors in consumer and security applications. Precision structural components are used in smartphone and automotive camera modules. Precision connectors are used to transmit power, signal and data in smartphones, tablets and wearables such as TWS earbuds and smartwatches. Plastic sockets are used for production testing and burn-in of mobile and consumer SoCs, power management ICs, memory, and automotive microcontrollers and sensors. MEMS probe cards are used for wafer-level testing of inertial sensors, magnetometers, barometric and pressure sensors and flow sensors. Gearbox assemblies are used in intelligent cleaning robots and other smart home devices.

The table below sets forth the revenue contributions from each product line during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
MEMS micro-and nanofabrication components						
— EMI shielding covers	96,979	34.0	151,021	26.6	160,366	18.5
— Precision structural components	94,891	33.2	93,827	16.5	180,639	20.9
— Precision connectors	8,207	2.9	10,744	1.9	10,267	1.2
<i>Subtotal</i>	<u>200,077</u>	<u>70.1</u>	<u>255,592</u>	<u>45.0</u>	<u>351,272</u>	<u>40.6</u>
Semiconductor test probes						
— Pin	48,971	17.2	53,239	9.4	80,343	9.3
— Plastic sockets	7,337	2.6	47,184	8.3	153,888	17.8
— Other semiconductor test probes	1,510	0.5	17,750	3.1	23,986	2.8
<i>Subtotal</i>	<u>57,818</u>	<u>20.3</u>	<u>118,173</u>	<u>20.8</u>	<u>258,217</u>	<u>29.9</u>
Miniature transmission systems	4,079	1.4	154,382	27.2	185,141	21.4
Others⁽¹⁾	23,540	8.2	39,753	7.0	69,556	8.1
Total.	<u>285,514</u>	<u>100.0</u>	<u>567,900</u>	<u>100.0</u>	<u>864,186</u>	<u>100.0</u>

Note:

- (1) Others mainly represent sales of mold products and scrap materials, as well as rental income. During the Track Record Period, we sold metal offcuts produced during the manufacturing process to third parties in order to increase the resources recycle and as a means of our ESG initiatives. Revenue from mold products represents sales of customer-specific molds supplied in connection with customized orders to customers that also purchase our main products, and is primarily intended to recover the related design and fabrication costs. In April 2024, we entered into a two-year lease agreement with a third party under which we leased a portion of our manufacturing facility, comprising building space, machinery, office equipment and tools, and electronic devices. This was a one-time arrangement entered into primarily for strategic purposes to facilitate joint collaboration. The lease will expire in April 2026. As a result, we recognized rental income in 2024 and 2025.

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The table below sets forth the sales volume, average selling price, and the price range of major product lines during the Track Record Period.

	Year ended December 31,								
	2023			2024			2025		
	Sales Volume	Average selling price ⁽¹⁾	Price Range	Sales Volume	Average selling price ⁽¹⁾	Price Range	Sales Volume	Average selling price ⁽¹⁾	Price Range
	(Thousand units)	(RMB)	(RMB)	(Thousand units)	(RMB)	(RMB)	(Thousand units)	(RMB)	(RMB)
MEMS micro-and nanofabrication components									
— EMI shielding covers . . .	1,323,609	0.1	0.02–3,710.92	1,602,622	0.1	0.02–270.00	1,606,221	0.1	0.0001–1,490.00
— Precision structural components	98,845	1.0	0.07–51,327.43	116,888	0.8	0.07–38,495.6	199,302	0.9	0.04–80,000.00
— Precision connectors . . .	18,151	0.5	0.07–1,635.39	67,642	0.2	0.03–10,800.00	25,880	0.4	0.07–9,060.00
<i>Subtotal</i>	<i>1,440,605</i>	<i>0.1</i>		<i>1,787,153</i>	<i>0.1</i>		<i>1,831,403</i>	<i>0.2</i>	
Semiconductor test probes									
— Pin	7,899	6.2	0.43–585.08	11,167	4.8	0.35–468.57	12,785	6.3	0.57–239.13
— Plastic sockets	2	3,239.1	66.00–85,000.00	6	7,618.9	4.50–124,044.48	7	21,589.2	144.18–152,217.70
— Other semiconductor test probes	284	5.3	3.54–5,000.00	332	53.5	1.22–38,259.87	851	28.2	1.12–68,141.59
<i>Subtotal</i>	<i>8,185</i>	<i>7.1</i>		<i>11,167</i>	<i>4.8</i>		<i>13,626</i>	<i>19.0</i>	
Miniature transmission systems	2,158	1.9	0.18–653.31	21,642	7.1	0.18–161.05	10,656	17.4	0.19–2,477.88
Total	1,450,948			1,820,300			1,855,685		

Note:

(1) Average selling price is calculated by dividing revenue by the corresponding sales volume during the same year.

MEMS Micro- and Nanofabrication Components

Our MEMS micro- and nanofabrication components fall into three categories: (i) EMI shielding covers; (ii) precision structural components; and (iii) precision connectors. EMI shielding covers are small metal covers that block electromagnetic interference and limit heat entering the protected area, protecting components, circuits, cables, or complete modules. Precision structural components are parts or sub-assemblies that support and secure electronic and electroacoustic elements. They often have complex geometries and tight tolerances. Precision connectors create electrical links and carry power or signals between devices, modules, and systems, and are foundational to finished equipment. Our MEMS micro- and nanofabrication components are customized to customer specifications.

As MEMS adoption has accelerated, we have pushed our micro- and nanofabrication to smaller geometries and higher throughput, and introduced multi-cavity, multi-row/multi-column tooling and high-speed line layouts under high-precision production controls. These upgrades have improved quality, increased capacity, and deepened programs with key customers. Through in-house innovation and forward-looking design, we also developed components for next-generation devices and moved

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early to refresh our products and processes in line with expected technology roadmaps. We closely follow the technical requirements of our major clients, communicate frequently with them, discuss and improve on the technical level, and launch multiple new models of products to meet their needs.

The table below summarizes our MEMS micro- and nanofabrication component portfolio.

Product Type	Primary Function/Use Case	Key Performance Metrics	Typical End-use Applications
EMI shielding covers . .	Sensor packaging	RF interference immunity: 70dB	MEMS sensors used in consumer electronics, such as smartphones and AR/VR headsets, as well as medical hearing aids
Precision structural components	Structural components for optical camera modules	Tight dimensional tolerances: $\pm 0.01\text{mm}$	Smartphone camera modules
Precision connectors . . .	Core component enabling signal, current, or data transmission in electronic devices	High-frequency signal transmission: 10 GHz data transfer rate; High current capacity: 17A	Smartphones and tablets, TWS earbuds, smartwatches, and bracelets

Technological Advancement

MEMS micro- and nanofabrication components are technically demanding and draw on materials science, micromachining, acoustics, and electronics. As end-market use has expanded, technology and performance have advanced quickly.

Key attributes of our products are:

- *Shielding performance.* Our EMI shielding covers are used mainly in MEMS microphones to prevent external interference from degrading the internal signal. At the device level, shielding performance is reflected in the microphone’s SNR. SNR measures the strength of the desired signal relative to background noise. A higher SNR is better because the signal sits further above the noise floor, yielding clearer, more accurate results with fewer errors and more design margin. Market-standard MEMS microphone SNRs enabled by typical shields are about 70 dB, according to Frost & Sullivan. With our advanced cavity and grounding designs, customers’ microphones using our shields have achieved SNRs of approximately 73 to 75 dB;
- *High-precision production.* Tight dimensional control is critical to performance and high-volume yield. Variations reduce efficiency and can compromise the reliability of the products. Through advanced micro-mold designs and micro- and nanofabrication capabilities, we hold the dimensional tolerance of the formed cavity to $\pm 0.012\text{ mm}$ and angularity to

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± 0.025 mm, versus an industry average of about ± 0.025 mm and ± 0.05 mm, respectively, according to Frost & Sullivan. This tighter control stabilizes internal volume and wall angles, improves shielding and acoustic consistency, and raises assembly yield;

- *Product size.* Compact design is a key trend in consumer electronics, raising the need for smaller components without sacrificing performance. We have developed miniature EMI shielding covers measuring $3.17\text{ mm} \times 1.82\text{ mm} \times 0.67\text{ mm}$, compared with typical market products of around $3.40\text{ mm} \times 2.60\text{ mm} \times 0.75\text{ mm}$, which frees board space and supports thinner, higher-density designs;
- *Environmental adaptability.* As MEMS are deployed in harsher settings, such as underwater or dusty environments, we have enhanced waterproof and dustproof performance through proprietary designs. MEMS microphones and pressure sensors that integrate our EMI shielding covers have achieved IP67 or higher ratings in testing, supporting reliable operation in demanding conditions; and
- *Mass-production yield.* High-volume yield is critical to product quality and cost. With advanced equipment, optimized processes, precision tooling, and strict quality controls, our mass-production defect rate is about five parts per million, which means roughly five defective parts for every one million units produced.

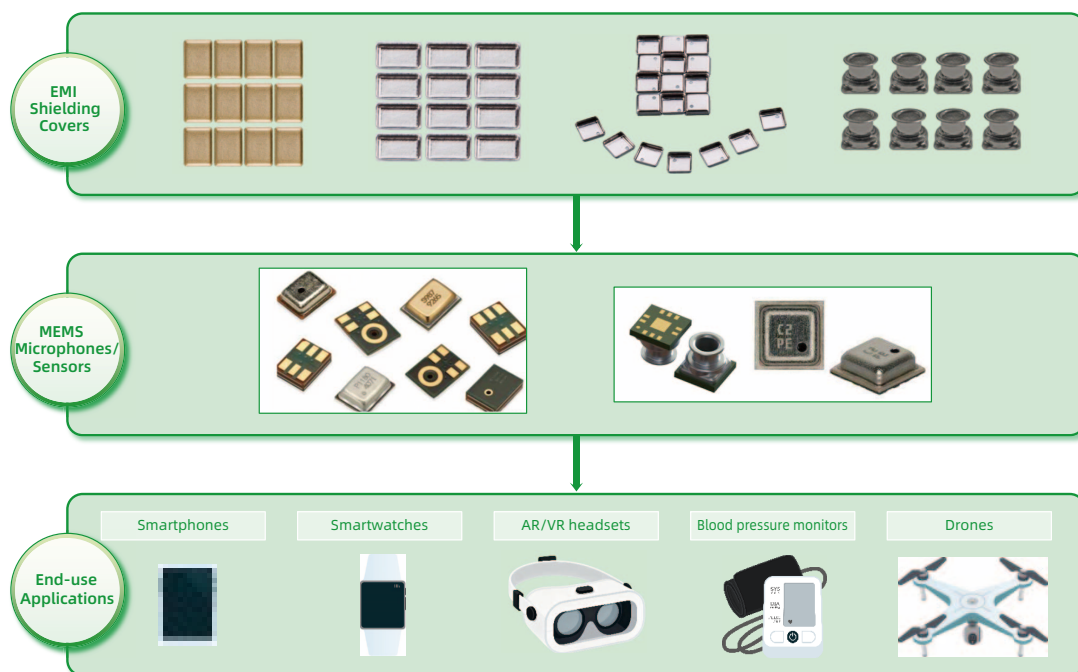
End-use Applications

EMI Shielding Covers

Our EMI shielding covers are used across a broad range of applications with strong market demand. They are used primarily in consumer electronics, including smartphones, smartwatches, AR/VR headsets, drones, and are also used in medical electronics, automotive electronics and optical modules.

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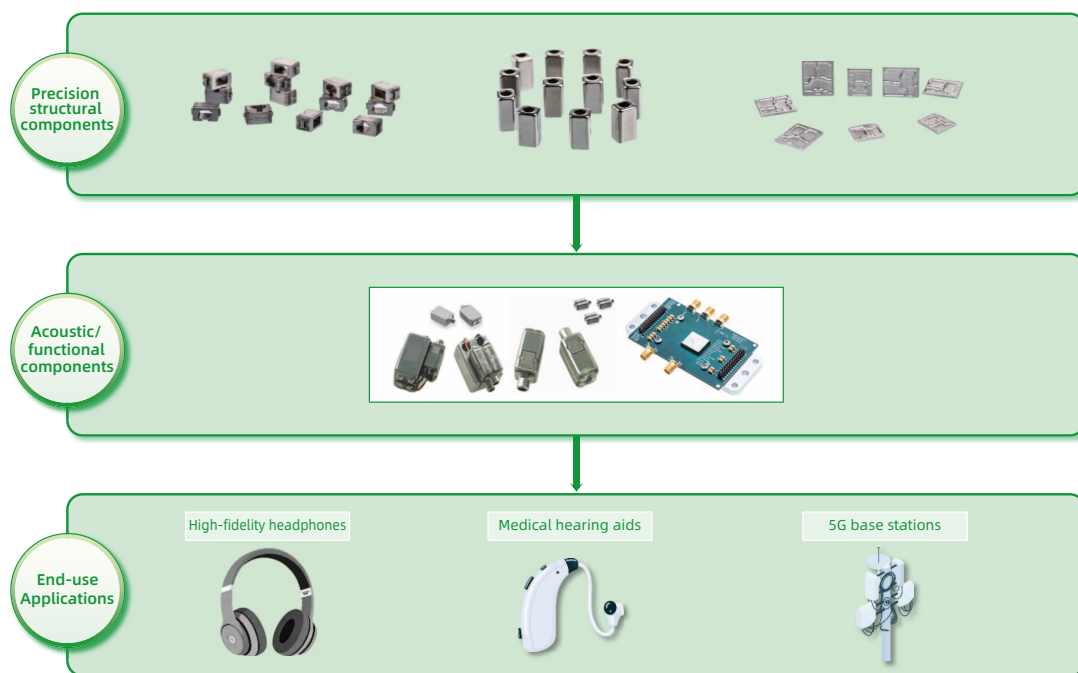
Some of the end-use applications for our EMI shielding covers are illustrated below.



Precision Structural Components

Our precision structural components primarily include acoustic components used in high-fidelity headphones and medical hearing aids, as well as functional components used in telecommunications base stations, automotive electronics and medical equipment.

Some of the end-use applications for our precision structural components are illustrated below.

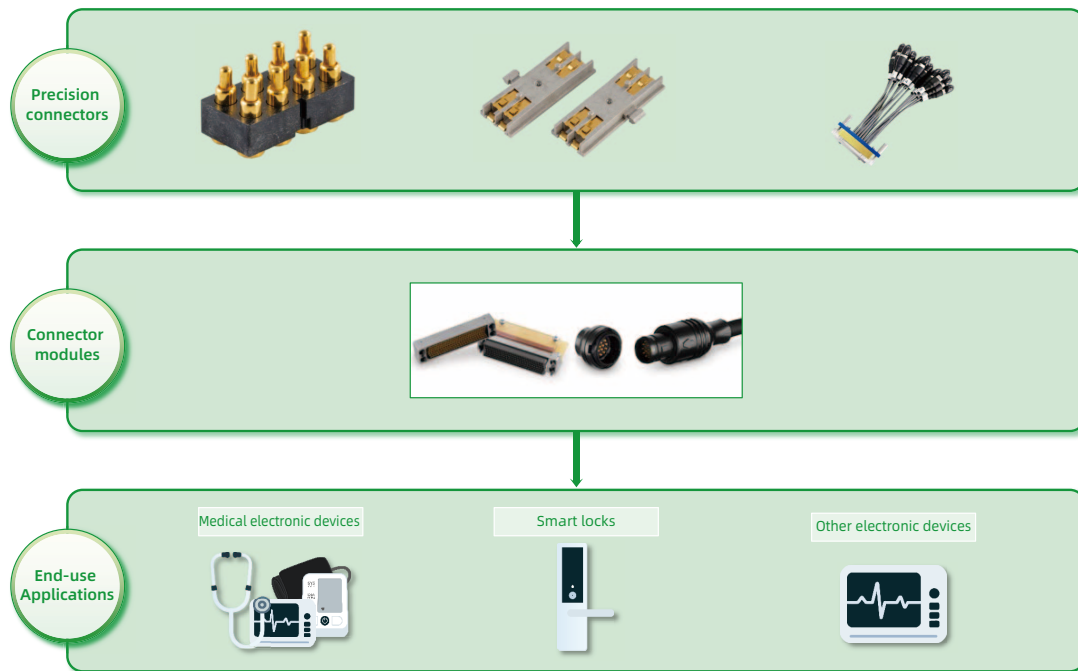


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Precision Connectors

Our precision connectors are used primarily in medical electronic devices and in smart home products such as smart locks. Certain of these connectors and components are also supplied as supporting parts for our other product lines.

Some of the end-use applications for our precision connectors are illustrated below.



Semiconductor Test Probes

Our semiconductor test probes are high-precision electronic components used throughout the semiconductor test flow. They provide the electrical interface between the device under test and automated test equipment, creating a reliable contact to transmit signals and measure continuity, current, functional responses and aging or reliability characteristics. As a critical consumable, the probe directly affects test integrity, throughput and the overall cost of test. We design and develop customer-specific products to meet wafer- and chip-level test requirements. Certain subunits, such as probes, clamp lids and thermal management structures, are standardized as modules that can be configured and integrated in different combinations to deliver the final product in accordance with customer specifications.

These probes are used at all major stages of chip testing. During design verification, they support device characterization and debugging to confirm that a new design meets its specifications. At the CP stage, a probe card containing an array of probes is installed on the probe station to contact each die on the wafer. The objective at this stage is to identify defective dies before packaging, which reduces downstream packaging and final test costs. After packaging, during the FT stage, probes are integrated into test sockets that operate with handlers and testers to confirm compliance with delivery standards and to identify defective chips.

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Across these stages, every test requires two foundational steps. First, the chip’s pads, pins or solder balls must be electrically connected to the tester. Second, the tester applies defined input signals and measures the outputs to determine whether functional and performance specifications are met. The quality and consistency of probe contact are therefore essential. Stable and low contact resistance, fine pitch capability, adequate current carrying capacity, controlled contact force, minimal pad damage, high cycle life and robust performance across temperature ranges all contribute to accurate results, higher yields and better cost control.

Our probe products are designed for use at both CP and FT stages and are compatible with mainstream automated test equipment, probe stations and handlers. By enabling reliable signal transmission and repeatable electrical contact, they support effective fault isolation and data analysis, which in turn inform design, manufacturing and assembly-test process improvements. This role makes test probes an indispensable consumable in semiconductor assembly and test operations.

Our semiconductor test probe products are available in several forms, including pins, plastic sockets and other semiconductor test probes, which primarily comprise MEMS probe cards. The table below summarizes highlights of our semiconductor test probe portfolio.

Product Type	Primary Function/Use Case	Key Performance Metrics	Typical End-use Applications
Plastic Socket	A compliant electrical interface between packaged ICs and automated test equipment for engineering characterization, final test and burn-in.	Current-carrying capacity: 5A; Insertion loss and return loss: 65 GHz @ -1 dB, 65 GHz @ -15 dB	Production and burn-in of mobile/consumer SoCs, power management ICs and memory; automotive microcontrollers and sensors
MEMS Probe Card . . .	Wafer-level electrical access, stimulus coupling and calibration for MEMS sensors and actuators during wafer sort.	Test minimum pitch: 45µm; Test life: 1.5M TD; Test pin count: 35K pins	Inertial sensors (accelerometers, gyroscopes, and inertial measurement units), magnetometers, barometric/pressure and flow sensors.

Technological Advancement

Semiconductor test probes are critical consumables in chip testing. Their quality directly affects measurement accuracy, test throughput, and overall cost of the test.

Key attributes of our products are:

- *Bandwidth.* With the shift to higher frequency operation in advanced devices, probes must maintain signal integrity at high frequencies with low insertion loss. Through optimized structural design and tight control of material resistivity, our probes achieve 50 GHz at 1 dB insertion loss, compared with an industry average of approximately 10 GHz at 1 dB, according to Frost & Sullivan. Higher bandwidth at a fixed loss level preserves signal integrity at high frequencies, enabling accurate characterization of high-speed and millimeter-wave devices and expanding test coverage while reducing measurement uncertainty;

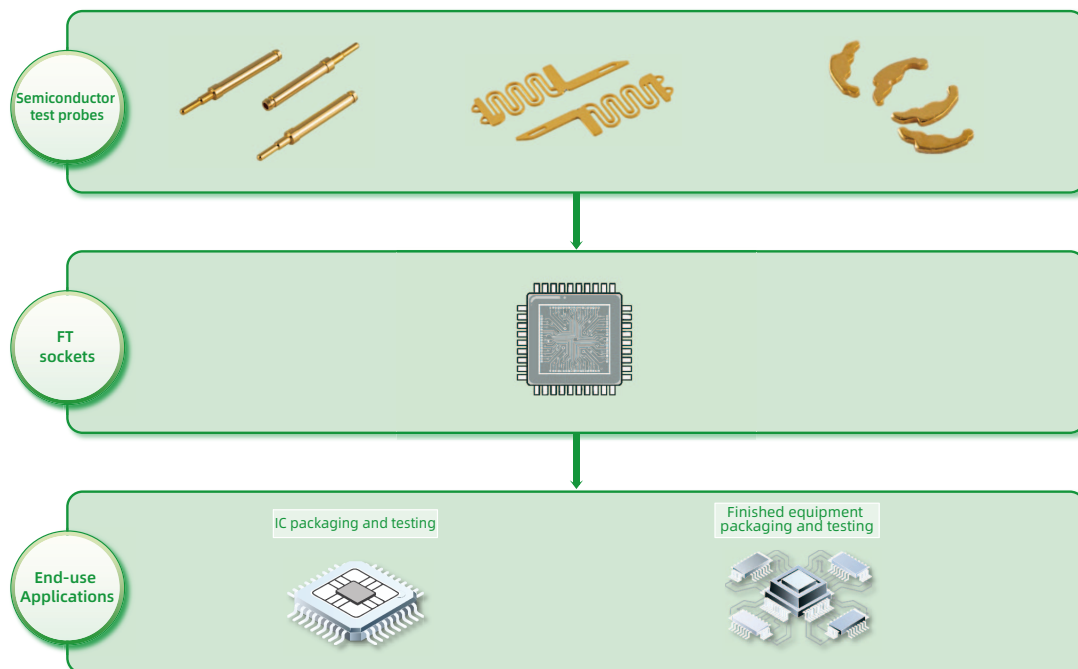
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- *Current-carrying capacity.* Rising device power levels require probes with higher load capability to avoid thermal or mechanical failure during tests. This metric is typically stated as maximum current at a given pin pitch. Our probes are rated at 4A per contact on 0.40 mm pitch, compared with an industry average of approximately 2A.
- *Precision and consistency.* Reliable results depend on tightly controlled contact force and geometry. Insufficient force can cause intermittent contact, while excessive force can damage pads. We maintain contact force within 10% of the customer-specified setpoint and hold probe tip dimensional tolerances to five micrometers in high-volume production.
- *Miniaturization.* As device geometries scale and input/output (“I/O”) densities increase, fine-pitch contacting becomes critical. Using proprietary assembly equipment, we achieve alignment accuracy within two micrometers. In high-volume production, our probes support testing at a 0.15 mm pin pitch, versus a domestic industry average of 0.30 to 0.40 mm.
- *Durability.* High cycle life reduces maintenance events, such as replacement, cleaning and recalibration, increases probe station utilization and lowers cost of test. Utilizing advanced surface treatment processes, our probes are qualified for a service life exceeding 500 thousand contact cycles.

End-use Applications

Our semiconductor chip test probe portfolio is used primarily in the testing stages of IC and other semiconductor device manufacturing and is a critical consumable for quality control and yield management.

Some of the end-use applications for our semiconductor test probes are illustrated below.



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Miniature Transmission Systems

Our miniature transmission systems comprise polymer gears and integrated micro gearboxes used for motion and power transmission in compact electromechanical platforms. These products are engineered for applications that demand high torque density, low noise, tight positional control and long service life within severe space and weight constraints. Our miniature transmission systems are customized to customer specifications. Primary end-uses include joint transmissions in robotic arms and service robots, drive and brush modules in robotic vacuum cleaners, and precision actuation subsystems in lightweight aerial and consumer robotics.

The table below summarizes our miniature transmission system portfolio.

Product Type	Primary Function/Use Case	Key Performance Metrics	Typical End-use Applications
Gearbox assemblies . . .	Power transmission	Noise level: ≤ 50 dBA measured at a distance of 10 cm; Transmission ratio: 216	Intelligent cleaning robots, and other smart home applications

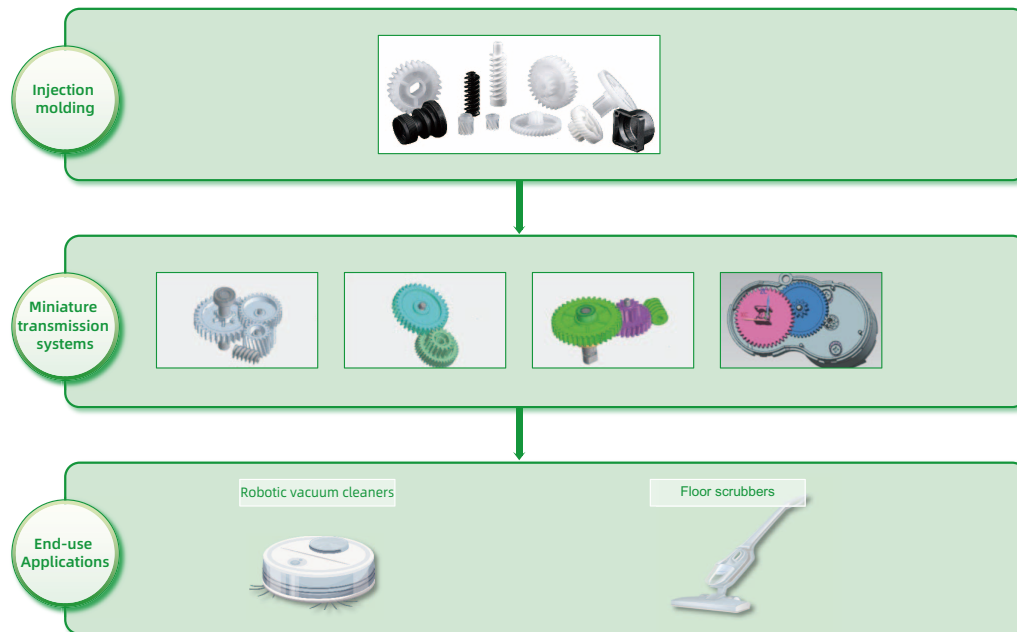
Technological Advancement

We have redesigned the drivetrain from a belt-driven to a gear-driven configuration, reducing operating noise. Where operating conditions permit, we replace metal gears with engineered plastic gears, lowering material and machining costs and improving efficiency while meeting required performance and durability standards.

End-use Applications

Our miniature transmission systems are used primarily in intelligent cleaning robots, such as robotic vacuum cleaners and floor scrubbers, and in smart home applications, including motorized curtains and smart locks.

Some of the end-use applications for our miniature transmission systems are illustrated below.



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OUR CORE TECHNOLOGIES

We have built a differentiated portfolio of proprietary technologies across three domains, including MEMS micro- and nanofabrication components, semiconductor test probes and miniature transmission systems. Our capabilities span materials engineering, ultra-precision tooling, high-throughput manufacturing, and reliability validation, enabling us to deliver high-performance, cost-efficient products for demanding applications.

MEMS Micro- and Nanofabrication Components

We design and manufacture high-precision miniature metal components using advanced mold engineering, deep-drawing and rotary-cutting processes. These technologies are used in electromagnetic shielding, connectors, sensors and other compact assemblies requiring consistent dimensional accuracy and mechanical integrity.

Our core technologies in this area are highlighted by the following:

- *Multi-row, multi-cavity tooling and high-speed process layout.* We developed a multi-row, multi-cavity mold design with a high-speed line layout that supports high-precision mass production. Under a height tolerance of ± 0.010 mm, daily output of precision micro shielding cans exceeds 2 million units, materially improving throughput and lowering unit cost.
- *In-mold cross-laminated bimetal technology.* We engineered an in-mold cross-laminated bimetal construction that combines electromagnetic shielding and thermal management in a single operation. This innovation supports stable performance in high-frequency, high-heat environments such as 5G, expanding the addressable use cases for future devices.
- *Integrated micro resistance-weld and stamping process.* By integrating resistance welding with precision stamping at micro scale, we improved positional accuracy and process stability. The process enables high-precision welding within a 200 μm weld width and controls post-weld positional deviation within 8 μm , enhancing dimensional accuracy and yield while reducing rework and scrap. We have also established a 515 nm laser process and are capable of performing laser drilling at a 515 nm wavelength.
- *Micro deep-draw forming for complex geometries with full flanging.* We replaced legacy machining with deep-draw full-flange forming, significantly increasing efficiency and environmental protection performance. Daily output per product line increased from approximately 5,000 units to approximately 90,000 units, and the full-flange design prevents seal loosening, supporting an ingress-protection rating of IP67 or higher.
- *Micro precision deep-draw rotary-shearing process.* Our rotary-shearing method enables stable volume production without damaging micro mold components. The process supports mass production of 2.5 mm-diameter microphone shielding cans, achieves cut-edge flatness within 12 μm , and allows direct welding without a surface-lapping step, which improves takt time and consistency.

Semiconductor Test Probes

We develop and produce micro-precision probes and related interconnect solutions used in wafer-level and package-level testing. Our designs target low, stable contact resistance, high cycle life and signal integrity under high-frequency and high-current conditions.

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Our core technologies in this area are highlighted by the following:

- *Advanced manufacturing process for semiconductor test probes.* We developed an automated assembly and precision manufacturing flow that supports 0.2 mm lead pitch and increases production efficiency by more than 160%. Hourly output improved from approximately 150 units to approximately 650 units, while key dimensional tolerances are controlled within ± 5 μm in high-volume runs.
- *Quad flat no-leads package (“QFN”) test probes and sockets.* Our QFN probe and socket solution meets low-insertion-loss requirements for high-frequency, high-current RF devices and extends test system life. The design achieves insertion loss of less than 1 dB at 40 GHz, carries current greater than 5A, delivers contact resistance below 20 m Ω , and provides a service life of approximately 200,000 cycles, which we believe is competitive with industry-leading levels.
- *Coaxial probes for high-speed IC testing.* Our coaxial probe architecture supports high-frequency, high-speed testing with reduced crosstalk and distortion. It achieves insertion loss of less than 1 dB at a 70 GHz bandwidth and supports minimum lead pitch of 0.3 mm, enabling high-fidelity measurements for advanced devices.
- *Anti-vibration, high-reliability, low-resistance connectors.* We designed a zero-insertion-force, anti-vibration connector that maintains continuous operation under shock and vibration while minimizing electrical losses. The connector delivers contact resistance below 10 m Ω , a service life of more than 250,000 cycles, and stable performance in 5G base-station environments, reducing maintenance and downtime risk.
- *Deep-draw sleeve process for semiconductor test probes.* We replaced machined import components with a deep-draw manufacturing process for thin-wall probe sleeves, meaningfully improving scale and cost. For comparable production windows, efficiency increases by approximately 5 to 10 times, and cost is reduced by approximately 20% to 30%, while maintaining consistency and supply resilience.

Miniature Transmission Systems

Our core technologies for miniature transmission systems are centered on two key areas. Firstly, precision injection molding, which we use to manufacture the system’s intricate mechanical parts like micro-gears with exceptional precision. Secondly, micro-motor design and production, where we create the compact and efficient motors that power and control the entire system. Our mastery of both these in-house technologies allows us to deliver fully integrated and optimized micro-drive solutions.

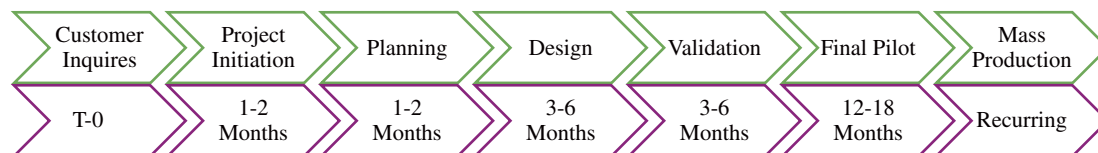
RESEARCH AND DEVELOPMENT

Overview

Our research and development activities can be broadly categorized into (i) platform-level technology development and (ii) customer-specific development projects. Platform-level technology development projects are internally initiated and funded to enhance our core technological capabilities, improve manufacturing processes and strengthen long-term competitiveness. These projects focus on developing foundational technologies, process know-how and quality control methodologies that are applicable across multiple product categories and customer applications. The resulting technologies are integrated into our broader product portfolio rather than attributable to any single product or customer. Customer-specific development projects are undertaken in response to particular customer requirements and form part of our ordinary course of business. These projects primarily involve customized mold design and test probe design tailored to customers’ specifications. The associated development costs are generally borne by customers, and we may generate revenue from mold sales and subsequent product supply.

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The diagram below illustrates our overall workflow, from customer inquiries and R&D to mass production, together with the typical time required to complete each stage.



Our products fall into two main categories with different useful life characteristics. MEMS components and miniature transmission systems typically have a useful life of two to five years, depending on application environment and usage conditions. In contrast, semiconductor testing probes and test sockets are measured by testing cycles rather than time duration, with typical useful life ranging from 600,000 to 1,000,000 test cycles before replacement is required. We focus on developing proprietary technologies to (i) develop new products and (ii) enhance the quality, reliability and consistency of our products. Our success has depended, and we believe it will continue to depend, to a significant extent, on our ability to continuously improve product performance.

We focus our R&D on next-generation semiconductor chip testing and MEMS micro- and nanofabrication, and we are strengthening the full chip testing chain from CP to FT. For example, for semiconductor test probes, as device geometries move to the two to three nm node and contact pitch narrows, we are developing interfaces and methods that preserve signal and power integrity under high current and high frequency conditions with tight impedance control. For MEMS micro- and nanofabrication components, we are advancing multi-process manufacturing that combines stamped metal parts, precision injection molded structures and electronic subassemblies including coils, magnets and printed circuit boards (“PCBs”), supporting higher functional density, manufacturability and reliability in optical and acoustic modules.

As of December 31, 2025, we had an in-house R&D team of 152 members. The core team members have, on average, more than eight years of experience in micro/nano manufacturing. We operate through three R&D divisions with distinct technology focuses. The micro precision division focuses on advancing MEMS micro- and nanofabrication technologies, developing breakthrough product designs, and addressing key pain points in acoustic and optical applications. The test division develops probe and socket solutions for semiconductor chip test, integrating probes with high-current, high-frequency test sockets to achieve impedance and frequency matching and to enhance power and signal integrity across wide bandwidths. The micro molding and mechatronic division focuses on precision micro-injection molding and automated assembly for micro-mechatronic components, including gear trains and compact reducers used in robotic vacuum cleaner transmission systems.

We have three R&D centers with distinct mandates. As of December 31, 2025, our principal center in Suzhou, China employed over 120 engineers, focusing on semiconductor chip probe and test technologies, including room-temperature semiconductor testing platforms and high-volume process engineering. We also maintain specialist teams in Switzerland and Japan staffed by local experts. The Swiss team focuses on assembly and design technologies for advanced products. The Japanese team focuses on CP probe technologies for high-performance processors, high-I/O memory devices and complementary metal-oxide semiconductor image sensors. Our overseas subsidiaries complement, rather than replace, our domestic research and development capabilities. In 2023, 2024, and 2025, R&D expenses incurred at our Japan and Switzerland R&D centers (with our Switzerland R&D center established in 2024) amounted to RMB1.4 million, RMB5.6 million and RMB6.5 million, respectively, representing 1.9%, 9.8% and 10.3% of our total R&D expenses for the relevant year. While we maintain comprehensive R&D functions domestically, the establishment of subsidiaries in Japan and Switzerland allows us to integrate global expertise, broaden our technological base, and accelerate innovation by leveraging regional strengths in specialized technical domains. The establishment of our subsidiary in Japan in 2021 was driven by strategic considerations. Japan has a well-established semiconductor ecosystem and long-standing expertise in precision probe and testing technologies. By setting up a local subsidiary, we are able to leverage the deep industry experience, technical know-how and talent pool available in Japan to accelerate the development of CP probe technologies and enhance our technological competitiveness. The Japanese market also provides close proximity to leading

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semiconductor manufacturers and equipment suppliers, facilitating technical collaboration, customer engagement and timely feedback in the product development process. Similarly, we established our subsidiary in Switzerland in 2024 to focus on ultra-precision automation equipment and advanced assembly technologies. Switzerland has a strong foundation in precision engineering, automation systems and high-end equipment manufacturing. Through our presence in Switzerland, we aim to access specialized engineering expertise and strengthen our capabilities in ultra-precision automation and advanced assembly processes. This enables us to enhance production efficiency, product reliability and technological innovation for our high-end product lines.

We enter into two types of arrangements with customers in relation to the customer-specific design work, with different terms regarding ownership, cost allocation, and intellectual property rights. For mold development projects, customers provide product drawings and we are responsible for mold design and development. Under these arrangements, ownership of the developed molds typically belongs to the customer, and mold development costs are typically borne by the customer. The intellectual property rights associated with these molds also belong to the customer. For product development projects such as testing probes and wire needles, we conduct independent product design and development. Under these arrangements, ownership of the developed products typically belongs to us, and development costs including fixtures, materials and other expenses are borne by us. The intellectual property rights associated with these products also belong to us. This arrangement allows our Company to retain ownership and intellectual property rights for its core technology products while providing customized mold development services on a fee basis to meet specific customer requirements.

In 2023, 2024 and 2025, our R&D expenses were RMB72.2 million, RMB56.9 million, and RMB63.4 million, respectively. In particular, our research and development expenses decreased by 21.1% from RMB72.2 million in 2023 to RMB56.9 million in 2024, primarily due to (i) a decrease of RMB7.1 million in material consumption expenses as some of our R&D projects were nearing completion, while our new R&D projects were just initiated and did not require substantial materials; (ii) a decrease of RMB4.4 million in depreciation and amortization; and (iii) a decrease of RMB1.9 million in employee compensation expenses, mainly due to a decrease in R&D personnel headcount. See “Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss — Research and Development Expenses” for details.

R&D Processes

Our R&D process is a structured, stage-gated system that turns customer and market requirements into manufacturable, high-reliability products. Our cross-functional teams lead each phase from intake and feasibility through design, validation, pilot build and transfer to volume production, with clear deliverables and approval gates.

Key stages of our R&D process include:

- *Initiation.* Our marketing and sales department, together with the relevant R&D teams, makes proposals for new products or processes based on customer requirements, market trends, internal needs and production needs, among other things. Upon receipt of such proposals, our R&D department convenes a technical review committee comprising representatives from R&D, manufacturing, quality, supply chain and sales departments. R&D projects are approved by the technical review committee based on the results of a comprehensive assessment. The project initiation stage typically takes one to two months.
- *Planning.* Once approved, the R&D department assigns a dedicated project team and defines roles and responsibilities. Upon receipt of the feasibility assessment report from the project team, the technical review committee conducts a further review and determines whether the project advances to the next phase. It typically requires one to two months to develop detailed project plans, specifications, and timelines.

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- *Design.* Following feasibility approval, the project team convenes internal stakeholders to identify key risks, challenges and milestones for development and pilot build. The team then prepares core technical documents, including the design review report, material specifications, process flow diagrams, work instructions and inspection criteria. The design stage typically spans three to six months.
- *Validation.* R&D and procurement departments jointly source raw materials, molds and tooling in line with the approved specifications. Equipment and tooling are installed, debugged and qualified. A pilot line is established according to the defined processes and inspection plans, and a limited pilot run is conducted. Pilot units undergo comprehensive testing and evaluation. The validation stage takes three to six months to conduct testing, quality validation, and design refinement based on test results
- *Final pilot.* After the final pilot is completed, the production package, including standard operating procedures (“SOPs”), control plans, test programs and bill of materials, is transferred to manufacturing to support volume production. Continuous improvements are implemented based on customer feedback and production performance. The final pilot to mass production transition stage requires 12 to 18 months to establish manufacturing processes, scale up production, and achieve stable mass production output.

Key R&D Projects

The following table sets forth details of our key ongoing R&D projects as of the Latest Practicable Date:

Project Name	Progress and Status	Target Specifications	Technology Level	Application
MEMS Process Wafer Testing Probe Development . . .	Project progressing normally. Sample delivery completed and currently in customer verification stage.	Achieve MEMS wafer testing probe with minimum pad pitch of 80μm, positional accuracy of ±10μm, flatness of 25μm, resistance (Power) ≤1Ω, maximum load current (CCC) of 500mA, and testing lifespan of 1 million cycles.	Advanced domestic level	Mainly applied in semiconductor chip front-end testing
Robotic Vacuum Cleaner Precision Gearbox Assembly Development . . .	Project progressing normally. Sample delivery completed and currently in customer verification stage.	Gearbox service life ≥500h, gearbox noise ≤70dB (at 30cm distance).	Advanced domestic level	Mainly applied in robotic vacuum cleaner field
Optical Image Stabilization and Auto-focus Camera Module Product Development . . .	Project progressing normally. Design and process R&D completed with sample delivery, currently in customer verification stage.	Achieve multi-carrier and multi-component simultaneous assembly production, ensure product precision and stability, camera structural product precision tolerance controlled within ±0.02mm, flatness controlled within 0.03mm.	Advanced domestic level	Mainly applied in consumer electronics field
High Power Consumption Chip Shielding and Heat Dissipation Component Development . . .	Project progressing normally. Design and process R&D completed with sample delivery, currently in customer verification stage.	Achieve domestic substitution, flatness of components with large flange thickness above 0.30mm controlled within 0.03mm, flatness of components with small flange thickness of 0.07-0.20mm controlled within 0.02mm.	Advanced domestic level	Mainly applied in consumer electronics field

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Project Name	Progress and Status	Target Specifications	Technology Level	Application
Ultra-high Frequency Impedance Control Coaxial Probe and Base Assembly Development . . .	Project progressing normally. Series products have completed design and process R&D with sample delivery, currently in customer verification stage.	Capable of testing high-speed chips with minimum 0.3mm pin pitch, and meeting high-frequency testing requirements with insertion loss within -0.5dB for frequencies below 56GHz in customized pin arrays; some products meet high-frequency testing requirements with insertion loss within -0.5dB for frequencies below 56GHz.	Advanced domestic level	Mainly applied in high-speed semiconductor chip testing
Blade Needle and Base Assembly Development . . .	Project progressing normally. Sample production completed, currently in customer verification stage.	Thickness of 60μm, achieving minimum 0.175mm pin pitch, testing lifespan exceeding 150k cycles.	Advanced domestic level	Mainly applied in high-density surface mount connector testing
Elastomer and Test Base Development . . .	Project progressing normally. Production line setup completed, sample production completed, currently in customer verification stage; large pin count conductive adhesive project in progress.	Achieve over 5,000 pins, pin pitch of 0.94mm, meeting insertion loss within -1dB for 16GHz frequency band.	Advanced domestic level	Mainly applied in CPU and other central processor chip testing
Ultra-fine Pitch Probe Assembly Automation Equipment Development . . .	Project progressing normally. Design and R&D completed, prototype accepted.	Capable of automated assembly and automated inspection of ultra-fine needles with outer diameter less than 0.15mm.	Advanced international level	Mainly applied in semiconductor spring probe automated production
Push-pull Self-locking Connector Development . . .	Project progressing normally. Design and process R&D completed with sample delivery, currently in customer verification stage.	Capable of plug-and-pull self-locking, strong corrosion resistance (144H salt spray); high impact resistance (100g acceleration, instantaneous disconnection <1μs); high vibration resistance (20g acceleration, instantaneous disconnection <1μs); capable of normal operation in -55°C to 175°C environment.	Advanced domestic level	Mainly used in semiconductor equipment, rail transit, aviation, medical and other high-end equipment
Electromagnetic Signal Component Integrated Assembly Development . . .	Project progressing normally, currently in process design and development stage.	Using stamping, injection molding, SMT, packaging, electrical testing and other technologies to integrate various electromagnetic signal components together, achieving finished integrated assembly yield rate of 95%. Laser solder ball welding in micro space of 0.4 square millimeters, solving technical bottlenecks of conventional processes, with welding position accuracy reaching ±0.03mm.	Advanced domestic level	Mainly applied in consumer electronics field

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Project Name	Progress and Status	Target Specifications	Technology Level	Application
Low Reflectance Camera Module Protection Component Development . . .	Project progressing normally, currently in process design and development stage.	Meet customer requirements for low reflectance protection components, reflectance below 0.7%, product tolerance of $\pm 0.03\text{mm}$.	Advanced domestic level	Mainly applied in consumer electronics field
Grade 50+ Testing Wire Needle Development . . .	Project progressing normally, currently in process design and development stage.	Capable of sharpening needles with a wire diameter of 0.05-0.07mm, ensuring consistency of needle tip angle and total needle length, designing a micrometer-adjustable feed mechanism to ensure the equipment adapts to changes in customer wire needle length and angle.	Advanced domestic level	Mainly applied in wafer-level testing and chip packaging testing

The following table sets forth details of significant R&D projects completed by the Group during the Track Record Period:

Significant R&D Project	Products Applied
Development of Stacked 3D Packaging Shielding Cover	Precision MEMS electronic shielding cover
Development of Ultra-high Frequency 65GHz Probe and Base Testing Assembly	Semiconductor testing probe and test socket
MEMS Process Wafer Testing Probe Development	MEMS probe card
Grade 70+ Testing Wire Needle Development . . .	Wire needle

INTELLECTUAL PROPERTY

Intellectual property rights are critical in safeguarding our business. We protect our intellectual property rights through a combination of patents, trade secrets, know-how, trademarks, copyrights, unfair competition laws and contractual rights, such as confidentiality agreements. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the intellectual property rights of external parties.

As of the Latest Practicable Date, we held 122 granted patents, 11 trademarks, and two domain names, as well as 216 patent applications pending in the PRC. As of the same date, we were also granted two patents in the U.S. See the section headed “Appendix IV — Statutory and General Information — B. Further Information about the Business of Our Company — 2. Intellectual Property Rights” in this document for more information of intellectual property rights that are material to our business.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes or claims which had any material adverse impact on our Group. See “Risk Factors — Risks Relating to Our Business and the Industry in which We Operate — Assertions against us by third parties for infringement of their intellectual property rights could divert management attention, result in significant costs and cause our business, financial condition and results of operations to suffer” for more details.

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MANUFACTURING

Production Facilities

Our manufacturing facility is located in Suzhou, China, with an aggregate GFA of approximately 34,564.9 sq.m. The following table sets forth the production capacity, production volume and production utilization rate by production line of our manufacturing facility for the year indicated.

	For the year ended December 31,		
	2023	2024	2025
	(Million units, except for percentage)		
Production capacity⁽¹⁾			
— MEMS micro- and nanofabrication components	2,585.1	2,678.3	2,726.1
— Semiconductor test probes	27.5	36.6	48.2
— Miniature transmission systems	2.8	14.1	16.8
Production volume			
— MEMS micro- and nanofabrication components . . .	1,442.5	1,803.1	1,834.9
— Semiconductor test probes	8.5	15.7	27.2
— Miniature transmission systems	0.2	5.7	7.2
Production utilization rate⁽²⁾			
— MEMS micro- and nanofabrication components	55.8%	67.3%	67.3%
— Semiconductor test probes	30.9%	42.8%	56.5%
— Miniature transmission systems	8.6%	40.4%	42.6%

Notes:

- (1) In peak seasons, our production facilities can run for more days to meet delivery schedules of purchase orders, in which case the actual output may exceed such designed production capacity. Our production capacity is calculated based on the following assumptions: (i) the production line is functioning at its full capacity; (ii) the production line operates 24 hours per day; (iii) the production line operates 26 days per month; and (iv) the production line operates for a full year.
- (2) Calculated by dividing the production volume for a year by the production capacity of the same year.

Future Manufacturing Capabilities

We intend to expand our manufacturing capacity by installing flexible production lines equipped with advanced manufacturing equipment, enabling rapid changeovers across different products. We plan to construct a production line for MEMS products used in high-end smartphone optical components, with a designed annual capacity of 240 million units and an expected start of commercial production in 2026. We also plan to invest in expanding our semiconductor test probe production line to a designed annual capacity of 36 million units, with construction completion expected in 2027. We expect to finance our planned manufacturing expansion primarily with cash flows generated from operations.

Our manufacturing capacity expansion plan is strategically targeted and forward-looking to meet anticipated future demand: (i) *new project requirements*. We plan to expand our production capacity to address rising demand and support new product launches. We expect our key customer base to continue expanding, with increasing purchase orders over time. We have recently introduced new products across all business lines that are currently in the ramp-up phase, and we plan to launch additional products progressively. As part of our broader business expansion strategy, we intend to develop and introduce new offerings, such as MEMS acoustic and optical components, high-pin-count semiconductor test probes, and miniature transmission systems for applications across multiple industries, thereby

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expanding into additional use cases and application scenarios; (ii) *long lead time for equipment procurement*. Production equipment for precision manufacturing typically involves a significant lead time from order placement to delivery, installation and commissioning. Our equipment purchases were made based on demand forecasts and strategic customer commitments, and such equipment began contributing to production output as market conditions improved; and (iii) *strategic positioning for market recovery*. Our expansion plan is designed to position us to capture demand growth as the market recovers in the foreseeable future. As utilization rates improve alongside recovery in our key downstream markets, particularly the semiconductor and consumer electronics sectors, our expanded capacity will enable us to respond promptly to customer demand. This approach allows us to maintain our competitive position and continue servicing key customers during periods of market softness while preparing for subsequent market recovery. See “— Our Strategies.” Without additional capacity, we risk longer lead times and constraints on fulfilling orders and capturing incremental demand. Expanding capacity is therefore necessary to maintain service levels, support customer qualifications, and position us for continued growth.

Production Process

Once a product enters mass production, our production planning and inventory management department sets the master production schedule and the corresponding procurement plan based on customer orders and the applicable engagement model. For customers under VMI model, we plan on a rolling basis using the customer’s order forecasts, inventory consumption, settlement cycles, and inventory levels to replenish stock on time and ensure continuous supply. For customers under supply chain collaboration model, we operate on a make-to-order basis: we build schedules from firm orders, calibrate them to order volumes and current capacity utilization, and time material purchases accordingly. Across both models, we align output with available capacity, sequence work orders to meet delivery commitments, and translate the schedule into material requirements for suppliers.

Production Process for MEMS Micro- and Nanofabrication Components

The principal steps of the production process generally applicable to MEMS micro- and nanofabrication components include:

- *Design completion and release to production.* Our R&D department finalizes drawings, specifications, and critical characteristics, and designs the required tooling. We conduct pilot-scale production to verify the products’ manufacturability and quality. After the customer approves pilot samples, we release the bill of materials, process routing, and work instructions for volume production under standard procedures.
- *Sourcing and quality control.* Raw materials, standard parts, and certain subcomponents are sourced from qualified suppliers. Incoming materials are inspected on a sampling basis, and we maintain batch-level traceability from receipt through shipment.
- *Manufacturing.* We execute both primary build steps, such as stamping, molding and machining, and follow-on joining steps, such as welding, riveting and adhesive bonding, under documented process settings, using calibrated equipment and qualified tooling to ensure consistent quality. Where surface finishing is required, it is performed in-house or by qualified vendors. In-process inspections monitor critical dimensions, structural integrity, and appearance. Nonconforming items are quarantined for review and disposition under formal quality procedures.

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- *Assembly and functional verification.* Components and semi-finished parts are assembled per standard operating procedures to ensure fit and function. Sampling tests and functional checks confirm key dimensions and electrical or mechanical performance, and results are recorded and used to maintain stable yields.
- *Packaging and logistics.* Our quality control department conducts final inspections against product specifications and authorizes shipment only for conforming products. Finished goods are packaged to protect against damage and environmental exposure, labeled for traceability, stored on a first-in, first-out basis, and shipped according to customer schedules, with inspection and shipping records retained.

Production Process for Semiconductor Test Probes

The principal steps of the production process generally applicable to semiconductor test probes include:

- *Design and simulation.* Our R&D department designs each probe to the customer’s specifications. The design is simulated under representative test conditions to predict real-world performance and iterated until the design is finalized and released for build.
- *Sourcing and production line setup.* After finalization of the designs, key probe components such as tips, springs, and sleeves are sourced from qualified suppliers against our drawings and specifications. In parallel, we configure and calibrate automated assembly lines tailored to the specific probe product.
- *Assembly and in-process control.* Components are assembled on automated lines in accordance with standard operating procedures and defined process parameters. In-process checks verify fit, alignment, and workmanship so defects do not pass downstream.
- *Functional and structural testing.* Our production department performs functional and structural tests on finished probes to confirm they meet performance requirements. Conforming units are released as pilot lots.
- *Customer validation and production release.* Pilot lots are delivered for customer evaluation in the intended application. After successful customer validation, the product is released to mass production.

Production Process for Miniature Transmission Systems

The principal steps of the production process generally applicable to miniature transmission systems include:

- *Design and development.* We translate customer requirements into engineering specifications, select materials, and design the gear train and housing with defined tolerances and manufacturability in mind. We perform simulation and prototype builds to validate torque, efficiency, noise, and life targets.

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- *Injection molding.* We design and fabricate molds, establishing a stable process window. The molding process is validated through installation, operational, and performance qualification, followed by first-article inspection and capability studies.
- *Assembly.* We assemble gears, shafts, bearings, and housings using calibrated fixtures. In-process inspections and statistical controls are used to manage alignment, torque, and noise.
- *Testing and quality assurance.* We conduct functional and reliability testing, including torque and efficiency checks, backlash and noise measurements, endurance and environmental tests as applicable. Lots are released only after meeting acceptance criteria.

Outsourced Processing Arrangements

We engage third-party service providers for certain processing steps in our production process when specialized technical capabilities are required. Our outsourced service providers are independent third-party service providers with relevant qualifications and industry experience. For our semiconductor chip test probes, we generally complete all production processes internally. However, when our internal production capacity is insufficient to meet customer demand, we outsource certain manufacturing processes, based on the actual needs, to third-party suppliers. For our MEMS micro- and nanofabrication components, we outsource primarily surface electroplating processing, a surface treatment process for precision micro-components. As we do not currently possess in-house electroplating capabilities, we engage third-party service providers to perform this specialized process. We engage outsourcing suppliers on a purchase order basis for processing services, with monthly settlement based on processing volume and agreed-upon pricing. We engage multiple independent service providers for outsourced processing, and there are readily available alternative providers in the market. Any temporary disruption of outsourced processing services would not materially affect our production capacity or business operations, as such services can be substituted by alternative providers. For the years ended December 31, 2023, 2024 and 2025, our outsourced processing costs amounted to approximately RMB22.4 million, RMB45.5 million and RMB66.6 million, representing approximately 9.9%, 9.5% and 9.4% of our total cost of sales, respectively. All of our outsourcing service providers that we engaged during the Track Record Period were Independent Third Parties. As such, outsourced processing does not constitute a material component of our operations and is not strategically significant to our business.

QUALITY CONTROL

Our Quality Control Department

We have established a comprehensive quality management system that ensures rigorous control from the raw material supply chain to product manufacturing. We rigorously adhere to product safety and quality control standards, implementing corresponding control measures across each stage of our production process to ensure that all products comply with applicable national and international standards. Our quality control team, which had 127 professionals as of December 31, 2025, is led by quality control director who has approximately 15 years of quality control and work experience.

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Our Quality Accreditations and Assurance

Our commitment to high quality and reliability helps strengthen the recognition and trust among our customers. We have obtained multiple certifications primarily including:

- IATF 16949 certification for our quality management system certified by a branch of the National Quality Assurance;
- ISO13485 certification for our quality management systems for producing medical devices certified by a branch of the National Quality Assurance; and
- ISO 9001 certification for our quality management system certified by a branch of the National Quality Assurance.

In order to monitor production quality and to ensure that our products meet all the stringent benchmarks and specifications of our customers and ourselves, we take a comprehensive approach to quality control, establishing a quality management system that complies with relevant national and international standards, covering procurement, production, finished products and logistics.

We procure raw materials from suppliers who have passed quality and reliability assessments and meet both our standards and those of our customers. We conduct random onsite inspections of our suppliers’ raw material facilities and make regular evaluations on our suppliers. Upon receiving the raw materials, we perform sample testing on raw materials. Our quality control system is designed to identify and handle any defective or substandard materials at an early stage in the production process.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any product quality issues that had a material adverse effect on our business, results of operations or financial condition.

OUR SUPPLIERS

Procurement

Core raw materials for our products include stainless steel, nickel-iron alloy and plastic pellets. Our procurement process involves several key steps to ensure efficient supply management. Initially, we engage in demand planning and supply strategy development, using rolling forecasts to assess product demand and define strategies for managing supply volumes. This is followed by procurement planning and ordering, where we create detailed plans and issue purchase orders to suppliers. Suppliers then fulfill these orders, schedule shipments, and deliver the materials to designated warehouses. Upon arrival, we inspect the raw materials and store them in stock warehouses for production use.

The key terms of our standard procurement contracts are as follows:

- *Products.* The suppliers provide us with products as specified in the master agreement or purchase order.
- *Pricing.* The price of the products shall be fixed as set forth in the quotation pursuant to the master agreement and may be adjusted upon mutual agreement.

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- *Term.* Our procurement contracts typically do not stipulate a fixed term.
- *Delivery.* Suppliers are typically required to deliver to our designated location and bear the transportation costs.
- *Quality assurance.* The products must comply with applicable national or industry standards with quality certification documents. Suppliers are usually required to maintain quality insurance for their products for the same length of time as the warranty period.
- *Default and remedies.* For late delivery more than a certain period as stipulated in the contract, we may terminate the contract without liability, and the suppliers will be liable for liquidated damages as specified in the contract. If their products fail to meet applicable quality requirements, the suppliers will be liable for all losses and damages incurred by us.
- *Termination.* In the event of a breach of the purchase agreement by the supplier, we are entitled to terminate the agreement unless the supplier remedies such breach within the specified cure period in accordance with the contractual terms.

Suppliers

During the Track Record Period, our suppliers consisted primarily of raw-material vendors and providers of certain processing services. In each of 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB41.7 million, RMB102.4 million, and RMB103.9 million, respectively, representing approximately 26.1%, 27.8% and 20.2% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for approximately 7.3%, 7.0%, and 5.8% of our total purchases in each of 2023, 2024 and the 2025, respectively.

The following tables set forth certain information of our five largest suppliers (on a grouped basis) in each year during the Track Record Period.

Year Ended December 31, 2025

Supplier	Major products or services purchased by us	Credit terms and payment method	Purchase amount (RMB'000)	As a percentage of our total purchases (%)	Year of commencement of business relationship with us	Background
Supplier B.	Surface finishing services	Up to 120 days; acceptance of bill of exchange	29,922	5.8	2015	A Shanghai-based metal manufacturing company, focusing on the processing and treatment of metal surface, established in April 2010.
Supplier A.	Electric motor	Up to 60 days; acceptance of bill of exchange or bank transfer	21,428	4.2	2022	A Huizhou-based company focusing on the research, development and production of micro motors, micro gearboxes, micro transmission modules and smart controllers, established in July 2007.

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Supplier	Major products or services purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Year of commencement of business relationship with us	Background
			(RMB'000)	(%)		
Supplier C.	Electric motor	Up to 90 days; acceptance of bill of exchange or bank transfer	17,782	3.5	2023	A Shenzhen-based electric motor manufacturing company, focusing on the production and sale of electric motors and components, established in November 2010.
Supplier H.	Surface finishing services	Up to 30 days; bank transfer	17,670	3.4	2021	A Yuyao-based metal manufacturing company, focusing on the surface plating for electrical connectors and microwave components in the communications, electronics, power and electrical industries, established in January 2015.
Supplier E.	Mold parts	Up to 90 days; bank transfer	17,057	3.3	2023	A Kunshan-based electronic manufacturing company, focusing on manufacturing electronic components and electromechanical assemblies equipment, established in March 2022.
			103,859	20.2		

Year Ended December 31, 2024

Supplier	Major products or services purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Year of commencement of business relationship with us	Background
			(RMB'000)	(%)		
Supplier A.	Electric motor	Up to 60 days; acceptance of bill of exchange or bank transfer	25,781	7.0	2022	A Huizhou-based company focusing on the research, development and production of micro motors, micro gearboxes, micro transmission modules and smart controllers, established in July 2007.
Supplier C.	Electric motor	Up to 90 days; acceptance of bill of exchange or bank transfer	22,043	6.0	2023	A Shenzhen-based electric motor manufacturing company, focusing on the production and sale of electric motors and components, established in November 2010.
Supplier B.	Surface finishing services	Up to 120 days; acceptance of bill of exchange	19,319	5.2	2015	A Shanghai-based metal manufacturing company, focusing on the processing and treatment of metal surface, established in April 2010.

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Supplier	Major products or services purchased by us	Credit terms and payment method	Purchase amount (RMB'000)	As a percentage of our total purchases (%)	Year of commencement of business relationship with us	Background
Supplier F	Metal materials	Up to 30 days; bank transfer	19,148	5.2	2024	A Xi'an-based metal manufacturing company, focusing on the production, development and sales of metal materials and functional materials, established in April 2001.
Supplier D	Electric motor	Up to 90 days; bank transfer	16,128	4.4	2023	A Dongguan-based electric motor manufacturing company, focusing on the production and sale of electric motors and components, established in December 2019.
			<u>102,419</u>	<u>27.8</u>		

Year Ended December 31, 2023

Supplier	Major products or services purchased by us	Credit terms and payment method	Purchase amount (RMB'000)	As a percentage of our total purchases (%)	Year of commencement of business relationship with us	Background
Supplier B	Surface finishing services	Up to 120 days; acceptance of bill of exchange	11,717	7.3	2015	A Shanghai-based metal manufacturing company, focusing on the processing and treatment of metal surface, established in April 2010.
Supplier G	Plastic pellets	Up to 30 days; bank transfer	8,806	5.5	2021	A Xiamen-based company, focusing on the manufacturing of chemical raw materials and chemical products, established in 2003.
Supplier H	Surface finishing services	Up to 30 days; bank transfer	7,510	4.7	2021	A Yuyao-based metal manufacturing company, focusing on the surface plating for electrical connectors and microwave components in the communications, electronics, power and electrical industries, established in January 2015.
Supplier I	Electricity	Prepayment; bank transfer	7,055	4.4	2015	A Suzhou-based electricity supply company, established in 1991.
Supplier J	Metal materials	Up to 60 days; bank transfer	6,659	4.2	2015	A Kunshan-based metal manufacturing company, focusing on the metal surface treatment processes, established in 2007.
			<u>41,747</u>	<u>26.1</u>		

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All of our five largest suppliers during each year of the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during each year of the Track Record Period.

Our Supply Chain Management

During the Track Record Period, we sourced most of our raw materials from suppliers in the PRC. On a limited basis, we procured certain ancillary raw materials from overseas suppliers in multiple jurisdictions, including France, Germany, Japan and the U.S. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortages or delays in the supply of raw materials, nor did we experience material delays in delivering products to customers attributable to supply chain constraints. In light of ongoing geopolitical tensions, we are broadening our PRC-based supplier base and identifying and qualifying substitute suppliers for items currently sourced from jurisdictions with higher levels of uncertainty. See “Risk Factors — Risks Relating to Our Business and the Industry in which We Operate — Failure to effectively manage our supply chain could increase our operating costs, or result in manufacturing delays that lead to unfulfilled customer orders, either of which could have a material and adverse effect on our business, financial condition, results of operations and prospects” for details.

We have adopted a comprehensive supply chain management mechanism with standardized procedures, ensuring the quality and stability of supplies. We follow standard procurement procedures, which cover purchase order placement, delivery tracking, incoming inspection, and inventory receipt and settlement. New suppliers may be onboarded only after completing qualification assessment, audit and validation under the standard procurement procedures, passing review by a cross-functional team, and entering into a supply agreement. We also conduct periodic performance evaluations and on-site audits of suppliers and adjust sourcing strategies based on the assessment results.

Impact of the Global Tariffs

As advised by our International Sanction Counsel, our Directors and Sponsors are of the view that the U.S. tariff regime has had a limited and manageable impact on our operations and is not expected to materially affect our business, financial performance, or suitability for [REDACTED]. In recent years, our exports from China to the U.S. have been subject to multiple layers of additional duties that apply cumulatively or alternatively, including: (i) Section 301 tariffs under the Trade Act of 1974; (ii) Section 232 tariffs under the Trade Expansion Act of 1962; (iii) Section 122 tariffs under the Trade Act of 1974 and (iv) fentanyl-related tariffs and reciprocal tariffs under executive orders issued pursuant to the IEEPA, all of which have now been terminated, with paid duties subject to refund.

Throughout the period of the most stringent IEEPA-related tariff measures, our U.S. export business has demonstrated strong resilience and maintained profitability, underpinned by our diversified customer base and global market footprint. As of the Latest Practicable Date, the tariff composition for the Group’s products primarily comprises relatively stable components (being tariffs other than the now-terminated IEEPA-related tariffs). Specifically, with the exception of leaf spring exports, the applicable tariffs for most of the Group’s products range from 20.3% to 37.7%, remaining at manageable levels. Even for leaf springs, which are subject to an aggregate duty rate of 78.2%, all relevant transactions are structured under Free on Board (FOB) or Ex Works (EXW) Incoterms, which contractually allocate the obligation to pay all applicable import duties, including any potential future tariff increases, to our U.S.-based buyers. For all other products, transactions are exclusively structured

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under FOB, Insurance and Freight (CIF), or EXW Incoterms, which similarly place duty payment responsibility on U.S. buyers. We will continue to adopt these Incoterms arrangements for all relevant future transactions to proactively mitigate the direct impact of future U.S. tariff fluctuations. As to potential indirect knock-on effects, including changes in global or downstream product demand, we confirm that no material order cancellations, revenue shortfalls, or operational disruptions have arisen as a result of U.S. tariff volatility.

Nothing material has come to the Joint Sponsors’ attention that would reasonably cause them to cast doubt on the International Sanction Counsel’s view as mentioned above. Nonetheless, we acknowledge that U.S. tariff and trade policies remain subject to further change and will continue to closely monitor global trade-policy developments and assess their potential implications for our supply chain, market demand, and overall business performance.

SALES AND MARKETING

As of December 31, 2025, we had 37 employees in sales and marketing, focusing on business development, customer service, brand promotion and sales contract management. We have established regional sales teams nationwide to enable direct communication with customers in each region. For leading market players, we have a dedicated sales force working on their profiles and requests.

Direct Sales

We have adopted the direct sales model. During the Track Record Period and up to the Latest Practicable Date, we sold all of our products directly to our customers, without engaging any distributor. Through direct sales, we have established a close and direct connection with our customers. We are able to gain a firsthand understanding of customers’ technologies and business development plans, propose technical solutions and product selection, and help customers solve problems with efficiency. During the Track Record Period, we served customers located across China (including Hong Kong and Taiwan) and different overseas jurisdictions (including North America, Europe, and other regions and countries in Asia).

The key terms of our standard sales contracts are as follows:

- *Order specifications.* Our sales contracts typically specify the product model and specifications, quantity, price and delivery schedule.
- *Term.* Our sales contracts typically do not stipulate a fixed term. Instead, we set out only the sales volume and the required delivery date.
- *Delivery.* We typically deliver to the customer’s designated location, and we bear the transportation costs.
- *Quality assurance.* Our products must comply with applicable national or industry standards with quality certification documents. We typically provide a fixed-term warranty from the shipment date and, within the warranty period, free repair or replacement.

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- *Default and remedies.* For late delivery more than a certain period as stipulated in the contract, the customer may terminate the contract without liability. If the contract continues, we are liable for liquidated damages as specified in the contract. If our products fail to meet applicable quality requirements, we will be liable for all losses and damages incurred by our customers.
- *Termination.* Either party may terminate the agreement in the event of a material breach by the other party that remains uncured within the agreed cure period.

We also sell products on a VMI consignment basis. Under this model, we stock standardized products at customer-designated warehouses, maintain agreed inventory levels, monitor consumption, and replenish when inventory reaches the reorder point. Customers pull inventory as needed and are invoiced based on actual consumption. We typically retain title until the customer takes possession of the goods. This VMI consignment model is widely used in our industry, according to Frost & Sullivan. During the Track Record Period, we primarily sold MEMS micro- and nanofabrication components under the VMI consignment model. For customers purchasing our MEMS components, the choice between the VMI consignment model and the standard sales model depends primarily on their inventory management preferences, demand visibility and production planning arrangements. Customers with stable and ongoing production needs may prefer the VMI model to enhance supply chain coordination and reduce inventory risk, while customers with project-based procurement or established internal inventory systems may opt for the standard sales model. The selection of the sales model is determined through commercial negotiation on a case-by-case basis. We typically require our customers who adopt the VMI consignment model to provide us with periodic demand forecasts for a specified timeframe. Based on these forecasts, we ensure that inventory levels are maintained at or above the minimum thresholds stipulated in the contracts. Customers retrieve products from the inventory as needed and settle payments with us based on the actual quantity requisitioned. During the Track Record Period, we sold products under the VMI consignment model to six customers, which in aggregate contributed RMB35.9 million, RMB53.7 million and RMB74.2 million in 2023, 2024 and 2025, respectively, representing 12.6%, 9.5% and 8.6% of our total revenue for the respective years. See “— Warehousing, Logistics and Inventory Management” for more details.

The key terms of our VMI consignment agreements are as follows:

- *Consignment arrangement.* We deliver products to the customer’s designated warehouse under a VMI model. Title remains with us until the customer withdraws the products for use, at which point title and risk transfer to the customer.
- *Forecasting and replenishment.* The customer provides demand forecasts and purchase orders, and we replenish inventory based on agreed stocking plans.
- *Minimum purchase and slow-moving inventory.* If consigned materials remain unused for a certain period, such materials may be classified as slow-moving inventory. For general purpose materials, the customer does not bear inventory responsibility, and we are required to retrieve excess inventory within a specified period upon notice. For non-general purpose materials, inventory responsibility is allocated in accordance with the purchase order terms and industry practice.
- *Quality and return policy.* Products are subject to inspection upon delivery. In the event of quality defects, we are responsible for replacement in accordance with agreed procedures.

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- *Pricing and settlement.* Pricing is determined based on the latest confirmed unit price at the time of withdrawal. The customer provides monthly consumption reports and payment is made based on agreed credit terms.
- *Liability cap.* The customer’s aggregate liability under the agreement is capped at the total value of the consigned inventory.

Product Return Policy

We generally accept sales returns for verified product defects for which we are responsible. According to Frost & Sullivan, our return policy is generally in line with industry norms. During the Track Record Period, the total value of our product return was insignificant. During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues, nor had we received any material product returns or complaints from our customers or consumers.

Pricing

We price our products based on various factors, including raw material costs process yield loss, equipment depreciation and direct labor, demand and supply of products in the market, order volume and market conditions, among others. According to Frost & Sullivan, our pricing for products generally aligns with current market trends. In general, our pricing strategy aligns with pricing fluctuations, trends of raw material prices and demand and supply of products in the market to mitigate the impact of raw material price volatility.

Marketing

Our focus lies in delivering cost-effective, high-value products while setting competitive prices based on market supply and demand dynamics, as well as the competitive landscape, to directly serve our customers. We execute a key-account strategy, concentrating resources to serve strategic customers end-to-end. We engage closely with customers to identify requirements and technology roadmaps, emphasize product differentiation and technical performance, and refine designs through targeted marketing and structured user feedback to deliver application-specific solutions. To accelerate engagement with end customers and enhance local service, we have established overseas subsidiaries and sales networks in Japan, Switzerland, the U.S. and other jurisdictions, and we are actively expanding our international presence.

SEASONALITY

In general, we experienced increased demand for MEMS micro- and nanofabrication products during the second half of the calendar year, compared to the first half of the year, which is consistent with the practice of our industry, according to Frost & Sullivan. This seasonality is driven by the concentration of major holidays and year-end purchasing cycles in the second half of the year, which typically lift demand for consumer electronics. As a result, we expect to record higher revenue for the second half of the year, than the first half. In 2023, 2024 and 2025, revenue generated in the second half of the year accounted for 65.5%, 59.7% and 49.2% of our annual revenue, respectively. The temporary decline in the second half of 2025 was primarily attributable to our strategic business realignment to enhance our overall financial performance. See “Risk Factors — Risks Relating to Our Financial Performance — Our future results may fluctuate, fail to match past performance or fail to

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meet expectations as a result of conditions beyond our control, such as general economic conditions in the overseas and domestic markets, cyclical and other market conditions within our industry and the financial health and viability of our suppliers and customers.”

OUR CUSTOMERS

During the Track Record Period, our customers primarily included (i) MEMS sensor manufacturers, (ii) major chipmakers and (iii) independent semiconductor testing service providers. As of the Latest Practicable Date, our products had been sold in China (including Hong Kong and Taiwan) and overseas (including North America, Europe, and other countries or regions in Asia). We served 239, 272, and 299 customers in 2023, 2024, and 2025, respectively. Our revenue was strategically concentrated among leading players in their respective downstream markets, with our top 25, 18, and 17 customers collectively contributing over 80% of total revenue in 2023, 2024, and 2025, respectively. The average revenue generated per such customer amounted to RMB9.4 million, RMB30.0 million and RMB41.3 million in 2023, 2024 and 2025, respectively. Notably, 24 of our top 25 customers in 2023 continued generating revenue in 2024 or 2025, validating the strength of our technology leadership and proven quality.

Our overall customer retention rates were 64.9%, 56.1% and 49.3% in 2023, 2024, and 2025, respectively, calculated as customers that made revenue contribution in the current year minus new customers added during the year, divided by customers that had revenue contribution in the immediately preceding year. The declining overall retention rate primarily reflects natural churn among smaller, occasional buyers in our customer “long tail” who typically represent less than 1% of annual revenue individually, including customers completing one-time development projects, experiencing business difficulties, or exiting after legacy product procurement cycles concluded. This long-tail churn has minimal revenue impact given our revenue concentration among strategic customers, who have demonstrated exceptional stability and significant volume growth throughout the Track Record Period.

The following table sets forth the movement of the number of customers and customer retention rates during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Number of customers that had revenue contribution in the immediately preceding year	185	239	272
Addition ⁽¹⁾	119	138	165
Reduction ⁽²⁾	65	105	138
Number of customers that made revenue contribution in the current year	<u>239</u>	<u>272</u>	<u>299</u>

Notes:

- (1) Refers to customers who made revenue contribution in the current year but had no revenue contribution in the immediately preceding year.
- (2) Refers to customers who made revenue contribution in the immediately preceding year but had no revenue contribution in the current year.

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In each of 2023, 2024 and 2025, our five largest customers together contributed RMB133.9 million, RMB310.1 million and RMB456.0 million of revenue, respectively, accounting for approximately 46.9%, 54.6% and 52.8% of our total revenue, respectively. In addition, revenue generated from our largest customer accounted for approximately 13.2%, 25.4%, and 18.0% of our total revenue in each of 2023, 2024 and 2025, respectively.

The following table sets forth the details of our five largest customers in each year during the Track Record Period:

Year Ended December 31, 2025

Customer	Major products or services provided by us	Credit terms and payment method	Revenue	As a percentage of our total revenue	Year of commencement of business relationship with us	Background
			(RMB'000)	(%)		
Customer B	Semiconductor test probes	Up to 60 days; bank transfer	155,136	18.0	2019	A Santa Clara-based full-stack computing company, focusing on providing AI and deep learning solutions, established in 1993, listed on the Nasdaq.
Customer A	Miniature transmission systems	Up to 90 days; acceptance of bill of exchange	142,610	16.5	2022	A Suzhou-based intelligent manufacturing company, focusing on the research, development, and manufacturing of smart home appliances, established in 2018.
Customer D	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	64,003	7.4	2023	A Guangzhou-based intelligent manufacturing company specializing in consumer electronics, automotive, artificial IoT, and medical fields, established in March 2014.
Customer C	MEMS micro- and nanofabrication components	Up to 120 days; acceptance of bill of exchange	56,131	6.5	2015	A Weifang-based company focusing on the development of acoustics, optics, microelectronic and enclosure components, established in 2001, listed on the Shenzhen Stock Exchange.
Customer E	MEMS micro- and nanofabrication components	Up to 60 days; bank transfer	38,110	4.4	2016	A Tianshui-based domestic and international electronic component wholesalers and authorized distributor, established in July 2022.
			<u>455,990</u>	<u>52.8</u>		

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Year Ended December 31, 2024

Customer	Major products or services provided by us	Credit terms and payment method	Revenue	As a percentage of our total revenue	Year of commencement of business relationship with us	Background
			(RMB'000)	(%)		
Customer A	Miniature transmission systems	Up to 60 days; bank transfer or acceptance of bill of exchange	144,254	25.4	2022	A Suzhou-based intelligent manufacturing company, focusing on the research, development, and manufacturing of smart home appliances, established in 2018.
Customer C	MEMS micro- and nanofabrication components	Up to 120 days; acceptance of bill of exchange	55,224	9.7	2015	A Weifang-based company focusing on the development of acoustics, optics, microelectronic and enclosure components, established in 2001, listed on the Shenzhen Stock Exchange.
Customer B	Semiconductor test probes	Up to 60 days; bank transfer	44,773	7.9	2019	A Santa Clara-based full-stack computing company, focusing on providing AI and deep learning solutions, established in 1993, listed on the Nasdaq.
Customer F	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	33,632	5.9	2019	A Tokyo-based electronic components and devices company, established in 1935, listed on the New York Stock Exchange.
Customer G	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	32,202	5.7	2020	A Delaware-based subsidiary of a New York Stock Exchange-listed Scottsdale-based intelligent manufacturing company, focusing on smart home and home security solutions providing, established in 2018.
			<u>310,085</u>	<u>54.6</u>		

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Year Ended December 31, 2023

Customer	Major products or services provided by us	Credit terms and payment method	Revenue	As a percentage of our total revenue	Year of commencement of business relationship with us	Background
			(RMB'000)	(%)		
Customer D	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	37,748	13.2	2023	A Guangzhou-based intelligent manufacturing company specializing in consumer electronics, automotive, artificial IoT, and medical fields, established in March 2014.
Customer C	MEMS micro- and nanofabrication components	Up to 120 days; acceptance of bill of exchange	35,986	12.6	2015	A Weifang-based company focusing on the development of acoustics, optics, microelectronic and enclosure components, established in 2001, listed on the Shenzhen Stock Exchange.
Customer F	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	31,473	11.0	2019	A Tokyo-based electronic components and devices company, established in 1935, listed on the New York Stock Exchange.
Customer G	MEMS micro- and nanofabrication components	Up to 90 days; bank transfer	17,613	6.2	2020	A Delaware-based subsidiary of a New York Stock Exchange-listed Scottsdale-based intelligent manufacturing company, focusing on smart home and home security solutions providing, established in 2018.
Customer H	MEMS micro- and nanofabrication components	Up to 60 days; bank transfer	11,124	3.9	2016	A Massachusetts-based company focusing on design and manufacturing of analog, mixed signal, and digital signal processing ICs, established in 1965, listed on the Nasdaq.
			<u>133,944</u>	<u>46.9</u>		

The fluctuation in the composition and contribution of our top five customers across the Track Record Period reflects the different development trajectories of our three business segments and varying market conditions in their respective downstream industries.

For our miniature transmission systems segment, Customer A emerged as one of our top five customers in 2024 and 2025 due to significant growth in this business line during these years. The downstream consumer electronics and smart home appliance markets experienced a substantial recovery in 2024 and 2025, driving increased orders from Customer A, a leading manufacturer in these sectors. For our semiconductor test probes segment, Customer B became one of our top five customers in 2024 and 2025, coinciding with the rapid expansion of the semiconductor industry during this period. After experiencing a relative downturn in 2023, the semiconductor industry grew significantly in 2024 and 2025, driven by advancements in AI and increased demand for advanced chips. As a major player in the semiconductor testing equipment sector, Customer B substantially increased its procurement from us

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during this industry upswing. Our MEMS micro-and nanofabrication business is characterized by a relatively diversified customer base and a broad product portfolio serving various applications. Consequently, individual customer purchasing volumes tend to fluctuate from year to year based on their specific project requirements and product development cycles, resulting in changes in the ranking of customers within our top five.

While certain business segments exhibit concentration with specific major customers, we do not believe this concentration poses undue business risk. For our miniature transmission systems segment, Customer A accounted for a substantial portion of revenue during the Track Record Period. However, Customer A is a leading manufacturer in the consumer electronics and smart home appliance sectors with a strong market position and diversified product portfolio, providing stability to our revenue stream. Moreover, as the overall miniature transmission systems market continues to expand, we are actively diversifying our customer base. Our revenue from other customers in this segment has grown from RMB10.1 million in 2024 to RMB42.5 million in 2025, demonstrating increasing market penetration beyond Customer A. We are also broadening our product offerings within miniature transmission systems to address different application segments, which naturally leads to customer diversification over time. Our established reputation for quality and reliability has enabled us to attract new customers and expand relationships with existing ones.

For our semiconductor test probes segment, Customer B represents a significant portion of revenue, particularly in 2024 and 2025. This concentration reflects market structure rather than over-reliance, as the semiconductor chip industry is characterized by a relatively concentrated structure with a small number of major global players dominating the market. Customer B is one of the leading companies in this sector, and supplying to such industry leaders is a natural outcome of competing successfully in this market. We supply Customer B with various types of semiconductor test probes for different testing applications and chip types, and this product diversity within the relationship reduces risk associated with any single product line. The semiconductor test probe business involves high technical specifications and rigorous qualification processes, and once qualified, suppliers typically maintain long-term relationships due to the complexity and cost of requalifying alternatives. This creates relationship stability that benefits both parties. Despite Customer B’s significant contribution, we continue to develop relationships with other semiconductor testing equipment manufacturers and semiconductor manufacturers. The semiconductor industry’s expansion, particularly driven by AI and advanced computing applications, is creating opportunities to serve multiple growing customers.

We have implemented various measures to mitigate customer concentration risks, including actively pursuing new customer development initiatives across all business segments, expanding our product portfolio to address broader market applications, maintaining technical excellence and competitive pricing, and monitoring industry trends to anticipate changes in customer demand patterns. Based on these factors, while certain customers contribute significantly to specific business segments, we believe our customer relationships are sustainable and our business is not overly dependent on any single customer to the extent that would materially impair our operations or financial performance.

All of our five largest customers during each year of the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers during each year of the Track Record Period.

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OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each year of the Track Record Period also acted as our suppliers, or vice versa, in the respective years, which is in conformity with the industry norm according to Frost & Sullivan, including: (i) *Customer C*. We supplied MEMS micro- and nanofabrication components to Customer C and purchased a laser marking machine from Customer C in 2023. The purchase was a one-off transaction made to fulfill our operational requirements. Customer C is a leading manufacturer in the industry, and we selected them based on their technical capabilities and competitive pricing. The purchase price was determined through normal commercial negotiation and was comparable to market rates for similar equipment; (ii) *Customer I*. We supplied semiconductor test probes to Customer I and purchased printed circuit boards from Customer I during the Track Record Period. The purchases from Customer I were made on a recurring basis to meet our operational needs for printed circuit boards used in our wafer testing operations. Customer I is an established printed circuit board manufacturer, and our procurement decisions were based on their product quality, delivery capability, and competitive pricing. Both our sales to and purchases from Customer I were conducted at arm’s length and on normal commercial terms; and (iii) *Supplier K*. We purchased plunger and other components from Supplier K and sold spring probes to Supplier K during the Track Record Period. The sales to Supplier K were trial sales that did not continue beyond the initial transactions. Both the purchases from and sales to Supplier K were conducted at market prices and on normal commercial terms.

The following table sets forth the breakdown of our revenue generated from and purchase amount paid to our overlapping customers and suppliers for the years indicated:

	Year ended December 31,											
	2023				2024				2025			
	Revenue	Gross Profit	Gross Profit Margin	Purchases	Revenue	Gross Profit	Gross Profit Margin	Purchases	Revenue	Gross Profit	Gross Profit Margin	Purchases
	(RMB'000, except for percentages)											
Customer C	35,986	8,107	22.5%	—	55,224	12,930	23.4%	61	56,131	14,453	25.7%	—
Customer I	5,142	1,286	25.0%	—	3,000	322	10.7%	—	1,296	117	9.0%	56
Supplier K	—	—	—	2,755	10	(7)	(70.0)%	2,103	—	—	—	12,110
Total	41,128	9,393		2,755	58,234	13,245		2,164	57,427	14,570		12,166

According to Frost & Sullivan, the overlapping of our customers and suppliers is not uncommon in the micro- and nanofabrication industry, where companies often operate multiple business lines across various parts of the value chain. It is not uncommon for industry participants to act both as upstream component suppliers and downstream solution integrators. In our case, overlapping relationships typically arise when semiconductor testing solution providers or semiconductor test probe component providers supply us with printed circuit boards or components for our semiconductor test probe products while also procuring our semiconductor test probes or other components for integration into their own product lines. This dual role is reflective of our ecosystem driven commercialization model and the collaborative structure of the micro- and nanofabrication industry. Our Directors confirm that all transactions with the overlapping customers and suppliers were conducted in the ordinary course of business, on normal commercial terms, and were not inter-conditional. The contractual terms were substantially the same as those with our other customers and suppliers. To the best knowledge of our Directors, all of these parties were Independent Third Parties.

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TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations primarily through our subsidiaries in China and certain overseas subsidiaries to support our expansion into international markets. In connection with these operations, intra-group transactions were carried out among members of our Group, which we refer to as Covered Transactions. These transactions mainly comprised (i) the sales of raw materials, parts, products and machines among our manufacturing entities; (ii) the sales of parts and products by our manufacturing entities to affiliated distribution entities; (iii) the purchase of raw materials by our manufacturing entity to affiliated distribution entity; and (iv) the provision of contract research and development support among affiliated entities. Such transactions were conducted in accordance with our Group’s transfer pricing policy, which is based on the arm’s length principle, and were entered into on normal commercial terms.

Transfer pricing arrangements for such intra-group transactions should be on an arm’s length basis according to the transfer pricing guidelines for multinational enterprises and tax administrations promulgated by the Organization for Economic Cooperation and Development, which we refer to as the OECD Transfer Pricing Guidelines. In this regard, we have engaged an independent transfer pricing advisor to review and assess whether our intra-group transactions are conducted on an arm’s length basis in accordance with the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations in China.

After assessing our transfer pricing arrangements during the Track Record Period, our Directors are of the view that our transfer pricing transactions and arrangements thereunder were generally consistent with the arm’s length principle under both OECD Transfer Pricing Guidelines and the applicable transfer pricing laws and regulations in China, and no significant transfer pricing risk was identified in the Covered Transactions for the Track Record Period.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We maintain and operate a warehouse located in Suzhou, Jiangsu Province, which is used to store raw materials, work in progress and finished goods. In addition to our own warehousing facilities, we also store finished products in customer-designated warehouses under the VMI consignment model. Under this model, inventory management is primarily undertaken by our team, who continuously oversee and optimize inventory practices. Customers who adopt the VMI consignment model typically provide us with periodic demand forecasts for a specified timeframe. Based on these forecasts, we ensure that inventory levels are maintained at or above the minimum thresholds stipulated in the contracts. Customers retrieve products from the inventory as needed and settle payments with us based on the actual quantity requisitioned.

In addition, we contract third-party logistics providers to handle product deliveries. Typically, finished products that successfully pass our quality inspection are transported by our logistics providers directly from our production facilities to our customers, designated warehouses, or other customer-specified locations. For domestic customers, we typically bear the shipping risks from our warehouse until the goods arrive at the warehouse designated by our customers. For overseas sales of semiconductor testing probes, we use Free-on-Board shipping terms, which means our customers arrange and pay for shipping and take responsibility for the goods once they are loaded for shipment. Since these products are small, we typically ship them by international express air delivery. For overseas sales of MEMS products, we deliver the goods to a warehouse designated by the customer,

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usually located in Shanghai. The customer becomes responsible for the goods once they arrive at this designated warehouse. We remain responsible for any loss or damage that occurs before the goods reach the designated warehouse.

We select logistics partners based on stringent criteria, including their reputation, operational scale, track record, and pricing. Agreements with these providers are typically structured as long-term contracts or short-term contracts with automatic renewal clauses. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any significant disruptions in our warehousing or delivery operations, nor did we suffer material losses attributable to delayed deliveries or mishandling by our service providers.

Our inventory primarily consists of raw materials, such as stainless steel, copper, iron, nickel, and various alloys, along with purchased components and plastic pellets, work in progress, finished goods, and contract costs. As of December 31, 2023, 2024 and 2025, our inventory balances were RMB70.2 million, RMB98.8 million and RMB104.9 million, respectively. In 2023, 2024 and 2025, our inventory turnover days were 105 days, 65 days and 53 days, respectively. We make provisions to write down our inventories to their net realizable value if their expected net realizable value is lower than their costs. As of December 31, 2023, 2024 and 2025, our provision for inventories amounted to RMB14.1 million, RMB16.8 million and RMB21.1 million, respectively. We coordinate with suppliers to confirm the overall raw material procurement status, including procurement lead times and/or any potential delays, which are then submitted to our planning team for record-keeping. The team calculates safety stock levels based on procurement lead times, while also aligning with forecasted customer demand. To maintain our competitive edge and meet evolving market demands, we have implemented a series of measures to optimize inventory levels, including reducing inventory backlogs and enhancing inventory management processes.

Our inventory management system is supported by robust internal procedures, including standardized submission and approval processes for logistics and purchase orders. We employ ERP software to monitor inventory levels, ensuring optimal stock levels for raw materials and finished products. This system also allows us to track the real-time movement of inventory into and out of our warehouses. We employ a dynamic inventory management system to enhance operational efficiency. During peak production seasons, we maintain an inventory of raw materials sufficient to support approximately one week of production. Conversely, in off-peak periods, inventory levels are strategically reduced to around three days of supply. This approach is supported by strict inventory control measures to ensure an optimal balance between operational continuity and cost management.

A dedicated working group within our finance team oversees inventory audits and inspections, with findings and discrepancies promptly reported to senior management. Based on these measures, our Directors confirm that our inventory management systems and policies have been effective throughout the Track Record Period and up to the Latest Practicable Date. We have not experienced any material supply shortages or significant overstocking issues during this period.

COMPETITION

The micro- and nanofabrication industry, currently with over 100 active participants, is highly competitive and fast-moving. This is driven by three key factors. First, the industry features a diverse range of players with overlapping technical capabilities. This enables customers to adopt multi-sourcing strategies, thereby placing constant pressure on suppliers regarding quality, delivery, and cost. Second, competition is multi-dimensional, extending far beyond price. Suppliers must excel simultaneously in

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areas such as process maturity, yield, reliability, delivery cycles, and intellectual property protection. Strong execution capability is as critical as technical prowess. Finally, the short product lifecycles and rapid technological innovation in downstream applications, especially in semiconductors and MEMS, mean that each new product generation triggers a re-evaluation of suppliers. Consequently, past success offers no guarantee of future contracts, creating a state of perpetual competition.

We compete globally with MEMS component manufacturers and semiconductor test probe manufacturers, as well as other precision micro- and nanofabrication players, including specialty foundries, wafer-level packaging providers, and vertically integrated OEMs with in-house production. Competition turns on process breadth and maturity, yield and reliability, cycle time and on-time delivery, cost structure, engineering support and co-development, quality certifications and protection of intellectual property and know-how. Despite high entry barriers, new capacity and entrants continue to emerge, and some customers pursue insourcing or dual-sourcing. See “Industry Overview.”

LICENSES, PERMITS AND APPROVALS

As advised by our PRC Legal Advisors, throughout the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China. We are required to renew such certificates, permits and licenses from time-to-time, and we are continually overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

The table below sets forth our material licenses, approvals and permits.

No.	Holder	Name of License, Approval and Permit	Expiration Date
1	Our Company	Pollutant Discharge Permit	August 5, 2030
2	Our Company	Receipt of Registration for Pollutant Discharge from Fixed Pollution Sources	November 21, 2029
3	Our Company	Registration as a Consignor and Consignee of Imported and Exported Goods with PRC Customs	Valid for an indefinite term
4	Suzhou Yoke	Receipt of Registration for Pollutant Discharge from Fixed Pollution Sources	March 24, 2030
5	Suzhou Yoke	Registration as a Consignor and Consignee of Imported and Exported Goods with PRC Customs	Valid for an indefinite term
6	Suzhou UIGreen	Registration as a Consignor and Consignee of Imported and Exported Goods with PRC Customs	Valid for an indefinite term

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AWARDS AND ACHIEVEMENTS

The table below sets forth the significant recognition we received as of the Latest Practicable Date.

Award/Recognition	Award Year	Awarding Institution/Authority
Specialized and Innovative Key “Little Giant” Enterprise (專精特新重點“小巨人”企業)	2022	Ministry of Industry and Information Technology of PRC (中華人民共和國工業和信息化部)

EMPLOYEES

As of December 31, 2025, we had 896 full-time employees. The following is a breakdown of our employees by function as of the dates indicated:

Function	As of December 31, 2025	
	Number of Employees	% of Total
R&D	152	17.0
Sales and marketing	37	4.1
Manufacturing	456	50.9
Quality control	127	14.2
Others	124	13.8
Total	896	100.0

As of December 31, 2025, approximately 98.4% of our employees were based in the PRC, while our other employees were primarily based in Switzerland, Japan and the U.S..

The ability to attract, retain, and inspire talented professionals is fundamental to our success. To achieve this, we provide competitive compensation packages, including performance-driven cash bonuses, designed to reward and incentivize exceptional contributions. We believe our strong reputation, collaborative work culture, robust training programs, comprehensive benefits, and employee share incentive plan position us as an employer of choice for highly skilled individuals. Our recruitment strategy leverages multiple channels, including employee referrals, online platforms such as our corporate website and social media, and targeted on-campus recruitment events. We are confident that our competitive remuneration and supportive workplace culture enable us to secure and retain top-tier talent, ensuring the stability and strength of our core management team.

As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. We also purchase accidental insurance for some of our production staff. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain of our employees as required by relevant laws and regulations, which are not in strict compliance with the applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we were not imposed any material administrative penalties as a result

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of our non-compliance with PRC laws and regulations in relation to social insurance and housing provident fund. Our PRC Legal Advisors are of the view that the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions and any material penalties due to the failure to provide such contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees and no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities. See “Risk Factors — Risks Relating to Our Operations — Failure to comply with PRC laws and regulations in relation to social insurance premium and housing provident funds may subject us to penalties and have an adverse impact on our financial conditions and results of operations.”

We enter into standard labor, confidentiality and non-compete agreements with our employees. The non-compete restricted period typically expires one to two years after the termination of the employment relationship, and we agree to compensate the employee with a certain percentage of his or her pre-departure salary during the restricted period.

Our employees are not currently represented by any labor union. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain insurance coverage for employers’ liability, key R&D equipment, cargo in transit, public liability, and property risks. These insurance policies cover the risk of damage arising from natural disasters and certain accidents. Most of our insurance policies are subject to standard deductions, exclusions and limitations. We believe that our insurance coverage is in line with industry practice in the PRC, including with respect to the terms and coverage of the insurance policies. However, there is no assurance that the insurance policies we maintain are sufficient to cover all of our operational risks. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. For more information, please refer to “Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, which could expose us to significant costs and business disruption.”

PROPERTIES

Leased Properties

Our corporate headquarters are located in Suzhou, Jiangsu Province, China. As of the Latest Practicable Date, we leased (i) three properties in the PRC with an aggregate GFA of approximately 4,795.3 sq.m. and (ii) two properties offshore in Japan and Switzerland, with an aggregate GFA of approximately 636.0 sq.m., all from Independent Third Parties. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from one to three years.

As of the Latest Practicable Date, we had not completed the registration of two lease agreements in relation to our leased properties in China with the relevant PRC government authorities, primarily because landlords failed to cooperate to complete the lease registration. Given there are sufficient alternative premises in the market if we need to relocate, our Directors are of the view that such defects did not have any factual impact and would not have any potential impact on our ability to use such properties. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will

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not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the penalties we may be subject to for these unregistered lease agreements will be immaterial. Therefore, we believe that the failure to register these lease agreements will not have any material adverse impact on our financial condition or results of operations. We will actively liaise with the respective lessors to complete the registration of all such lease agreements, if possible. See “Risk Factors — Risks Relating to Our Operations — Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations.”

Owned Land and Properties

As of the Latest Practicable Date, we obtained land use rights certificates for three parcels of land with an aggregate site area of approximately 100,064.7 sq.m. in the PRC. These parcels of land are generally used for production purpose.

As of the Latest Practicable Date, we owned 11 properties in China with a GFA of approximately 34,564.9 sq.m. in aggregate. We have obtained title certificates for these properties. As confirmed by our PRC Legal Advisors, we legally and validly own the aforementioned properties, with no existing or potential ownership disputes.

As of the Latest Practicable Date, we did not have any property interests that generated rental income with a carrying amount accounting for 1% or more of our Group’s total assets, nor did we have any single property interest forming part of our non-property activities with a carrying amount equal to or exceeding 15% of our Group’s total assets. Accordingly, we are not required to include a property valuation report in this document pursuant to Rule 5.01A of the Listing Rules. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalties arising from the non-registration of our lease agreements, and had not experienced any dispute arising out of, or in relation to, our leased properties.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ESG Governance

We believe that ESG matters are critically important to its sustainable development. Therefore, based on the securities regulations of China and the Hong Kong Special Administrative Region, we focus on corporate governance, environmental protection, social responsibility and other sectors, and are committed to creating long-term value for the shareholders, customers, employees and other stakeholders.

We have established a three-level management structure supported by more than 10 employees with ESG expertise (including industry knowledge and experience, financial knowledge, risk management experience, personnel management experience, etc.) The Board of Directors, as the top decision-making level, is responsible for: (i) reviewing the annual corporate governance report and the ESG report; and (ii) overseeing ESG-related developments. The Strategic and ESG Committee, as the management level, is responsible for: (i) carrying out research, analysis and evaluation on ESG-related matters, including but not limited to our ESG policies, strategies, objectives and framework, and providing recommendations on improving our ESG performance or relevant major decisions; (ii)

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organizing or coordinating regular supervision and inspection on the implementation and progress of our ESG initiatives, including but not limited to the advancement of ESG objectives; and (iii) reviewing our annual ESG report and other ESG-related disclosure documents and reporting to the Board of Directors. Department heads, as the implementation level, are responsible for strictly implementing the ESG strategies, objectives and management systems established by the decision-making level, integrating ESG requirements into daily departmental business processes, and ensuring the effective advancement of ESG initiatives at the practical operation level.

Anti-commercial Bribery and Anti-corruption

We have established an institutional framework against commercial bribery and corruption. In addition to formulating internal guidelines in accordance with relevant laws and regulations such as the Prevention of Bribery Ordinance (《防止賄賂條例》), we also strengthen multi-party supervision through signing legally binding instruments. At the customer level, we typically require our customers to sign an integrity and clean commitment letter (《誠信廉潔承諾書》), specifying the integrity standards to be followed by both parties in business dealings and the liabilities for breach. At the supplier level, we typically require our suppliers to sign an anti-commercial bribery agreement (《反商業賄賂協議》), prohibiting benefit transfers between both parties during cooperation and specifying the liabilities for breach. At the employee level, we typically require our employees to sign an integrity and self-discipline commitment letter, covering daily duty behaviors and other integrity norms, complemented by regular compliance training to deepen our employees’ integrity awareness.

We aspire to build an integrity-based cooperation ecosystem among customers, suppliers and us through the above multidimensional measures, eradicating commercial bribery and unfair competition at the source. During the Track Record Period and up to the Latest Practicable Date, we have been free from any commercial bribery and corruption.

Environmental Compliance Management

Tackling Climate Change

By establishing the greenhouse gas emission control procedure (《溫室氣體排放控制程序》), we regularly monitor climate-related key indicators, continuously improves energy consumption management, and focuses on reducing greenhouse gas emissions during operation. As a consequence, we have achieved a significant reduction in both electricity consumption and carbon emission intensity in 2024 compared to 2023. Meanwhile, we have set annual carbon emission reduction targets based on actual operating conditions, aiming to achieve a 5% reduction per RMB10,000 of output value by 2025. The table below sets forth our greenhouse gas emissions for the indicated years¹:

¹ Our carbon dioxide emissions from 2023 to 2025 cover Scope 1 (direct emissions) and Scope 2 (indirect emissions) in its own operational stages, with subsidiaries being excluded from the statistics. The greenhouse gas accounting methods are “Greenhouse Gas Accounting System: Enterprise Accounting and Reporting Standards” and “Greenhouse Gas Accounting System: Enterprise Value Chain (Scope 3) Accounting and Reporting Standards”; the coefficients are based on the “2006 IPCC National Greenhouse Gas Inventory Guidelines”. Given the complexity of Scope 3 emissions data, we have initiated the identification process and are advancing it in phases. Currently, we are focusing on the accounting basis for Scope 1 and 2. In the future, we will gradually incorporate Scope 3 systematically into the disclosure framework.

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		For the Year ended December 31,		
		2023	2024	2025
		Unit		
Scope 1 emissions	tCO ₂ e	31.0	21.0	19.0
Scope 2 emissions	tCO ₂ e	5,720.0	8,011.0	10,527.0
Total emissions	tCO ₂ e	5,751.0	8,032.0	10,546.0
Greenhouse gas emission intensity	tCO ₂ e /RMB10,000 revenue	0.2	0.1	0.1

Energy and Resource Utilization

Our energy and resource consumption is mainly concentrated in electricity and water. Based on production characteristics, schedules and water/electricity budgets, we have set the annual electricity and water consumption targets for 2025 at 4.5 kWh/1,000 products and 13.5 tons/1,000 products respectively, thereby promoting the management and sustainable utilization of energy and resources.

To achieve the above targets, we have implemented various initiatives to save energy and water resources in both office operations and production processes. In office operations, we regularly publicize and promote energy-saving awareness, post electricity and water-saving reminders in workplaces, utilize energy-efficient office and lighting equipment, and advocate for a paperless office. In production processes, our cooling system uses recycled water, with an annual recycled water volume exceeding 30,000 tons, ensuring the fulfillment of water-saving target.

In 2025, our electricity and water consumption volumes were 2.2 kWh/1,000 products and 4.2 litre/1,000 products respectively, both meeting the annual targets for electricity and water consumption². In the future office operations and production processes, we will continue to uphold the energy-saving principle and fulfill the annual electricity and water-saving targets.

		For the Year ended December 31,		
		2023	2024	2025
		Unit		
Energy				
Purchased electricity	kWh	9,935,760.7	13,802,887.3	17,946,097.9
Total energy consumption	tce	1,221.1	1,696.4	2,212.29
Energy consumption intensity ³	tce/RMB10,000	0.04	0.03	0.03
Water resource				
Total water consumption	Ton	13,762.9	22,504.8	32,419.0
Water consumption intensity	Ton/RMB10,000	0.5	0.4	0.4

² Due to the implementation of effective energy-saving measures from 2024 to 2025, both energy consumption and water resource consumption intensity have significantly declined, resulting in actual performance far exceeding the expected targets.

³ The data fluctuation in 2023 mainly due to the simultaneous operation of both the Putuoshan Road Plant and the Emeishan Road Plant, leading to an increase in public auxiliary equipment and a corresponding rise in electricity consumption.

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Pollutant Discharge

Our primary emissions include waste gases and wastewater from production processes. To mitigate environmental impact, we have actively implemented multiple treatment measures. In 2024, both waste gas emission and wastewater discharge met the standards:

For waste gas management, in accordance with relevant laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), we have established a series of institutional guidelines, including the waste gas management and control procedure (《廢氣管理和控制程序》), clearly identifying that the primary types of waste gases generated during the production processes are non-methane hydrocarbons and particulate matters. In terms of non-methane hydrocarbons, we utilize activated carbon for absorption or oil mist filter attached to the equipment for filtration; while in terms of particulate matters, we use dust removal equipment for dust removal, ensuring up-to-standard emission.

For wastewater management, in strict accordance with the Law of the People’s Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), we have established the wastewater management and control procedure (《廢水管理和控制程序》). Domestic wastewater after treatment by septic tank is discharged, together with drainage from the cooling system and wastewater from pure water preparation, into the Suzhou Sci-Tech City’s wastewater treatment works through the municipal wastewater pipe network, ensuring up-to-standard discharge of wastewater. We have developed a pollutant discharge permit and a self-monitoring plan, and entrusted a qualified testing agency to monitor the wastewater quality at the main discharge outlet. In case of abnormal results, we will analyze the causes and conduct resampling in accordance with the monitoring plan.

		For the Year ended December 31,		
		2023	2024	2025
		<i>Unit</i>		
Waste gases				
Particulate matters	Ton	0.3	0.3	2.2
VOCs	Ton	0.8	0.8	1.0
Total waste gas emissions	Million cubic meter	183.2	193.7	242.1
Wastewater				
Suspended matters	Ton	0.2	0.4	0.1
Chemical oxygen demand	Ton	1.1	1.7	0.4
Ammonia-nitrogen	Ton	0.1	0.2	0.1
Total phosphorus	Ton	0.02	0.03	0.01
Total wastewater discharge	Ten thousand tons	1.1	1.8	2.6

Waste Disposal

We have established the waste management procedure (《廢棄物管理程序》) in strict accordance with relevant laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》). Our wastes generated during production and operation mainly include: (i) hazardous wastes such as spent cutting fluid, waste hydraulic oil, waste glue, used packaging containers and spent activated carbon; (ii) non-hazardous wastes such as obsolete scraps, used packaging materials, collected dust, used cloth bags and material remnants; and (iii) household wastes and kitchen wastes. We have standardized the construction of hazardous waste storage facilities, with Internet-connected video

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surveillance being provided in the warehouse. For transportation, we have entrusted qualified service providers to transfer the wastes. We have achieved 100% compliance treatment for hazardous wastes and non-hazardous wastes, along with 100% collection of household wastes and kitchen wastes, all of which are entrusted to qualified service providers for recycling and disposal.

		For the Year ended December 31,		
		2023	2024	2025
	<i>Unit</i>			
Hazardous wastes	Ton	115.8	177.1	256.1
Hazardous waste generation intensity	Ton/RMB10,000	0.004	0.003	0.003
	revenue			
Non-hazardous wastes ⁴	Ton	199.1	411.8	581.1
Non-hazardous waste generation intensity . .	Ton/RMB10,000	0.007	0.007	0.007
	revenue			

Ecosystem and Biodiversity Protection

We actively adhere to environmental protection laws and regulations and policy requirements, having developed an environmental aspects analysis and evaluation form (《環境因素分析評價表》) and obtained ISO 14001 environmental management system certification. Focusing on ecosystem and biodiversity protection, we document environmental aspects and impacts (including effects on habitats and species diversity), clarify their status and situation, and make classification according to the dimensions such as water body, atmosphere, ecology, and biodiversity. By combination with regulatory compliance and consideration on dimensions such as impact scale and frequency, we determine the significance of aspects to ecological protection. This ensures that throughout the project planning and construction phases, the constraints of “Ecological Conservation Redline, Environmental Quality Baseline, Resource Utilization Upper Limit and Negative List of Environmental Access” are strictly implemented. During the performance record period, the company did not have any circumstances where it was subject to significant administrative penalties from the environmental protection authorities for violating relevant environmental protection laws, regulations and normative documents.

Social Responsibility

Employee Rights & Interests and Employment

We believe that employees are the core driving force for a company’s development. We strictly adhere to relevant laws and regulations such as the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》), and the Law of the People’s Republic of China on the Protection of Women’s Rights and Interests (《中華人民共和國婦女權益保障法》), having established an equitable and inclusive employment system and working environment. In addition, we ensure a compliant and transparent recruitment process, as well as fully disclosed post standards. In terms of employment, we uphold the principle of equality and prohibit all forms of discrimination. All individuals, regardless of gender, age, ethnicity, religious belief or physical condition, are entitled to fair employment opportunities. In terms of working environment, we have established the female employees and minors protection regulation (《女工和未成年人保護制度》) to prevent them from being engaged in toxic, hazardous, or dangerous tasks.

⁴ The data scope for non-hazardous wastes excludes household wastes and kitchen wastes.

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We strictly safeguard employees’ rights and interests, and provide them with the Five Social Insurances and One Housing Fund in full compliance with legal requirements. In addition to basic rights and interests, we also provide employees with benefits such as paid annual leave, sick leave, festival gift and travelling benefit. Through a well-established salary system, we aim to stimulate employees’ enthusiasm and creativity. The table below sets forth our staff structure for the indicated years:

		As of December 31,		
		2023	2024	2025
By gender				
Male	Person	448	486	593
Female	Person	222	237	303
By educational background				
Bachelor degree or above	Person	123	147	185
Below bachelor degree	Person	547	576	711
By age				
Age 30 and below	Person	186	181	260
Age 30 – 50	Person	466	515	615
Age 50 and above	Person	18	27	21
By region				
Overseas employees	Person	5	9	14
Employees in Hong Kong, Macao, and Taiwan, China	Person	—	—	2
Employees in Chinese Mainland	Person	665	714	880
Total	Person	670	723	896

Occupational Health and Safety

We have established a series of internal systems, such as the safety production responsibility system (《安全生產責任制度》), fire safety system (《消防安全制度》), occupational disease prevention and control responsibility system (《職業病防治責任制度》), and education and training system for occupational disease prevention and control (《職業病防治宣傳教育培訓制度》). Meanwhile, we have implemented a series of relevant measures. For example, we conduct occupational hazard identification, and fulfill the obligation to inform employees of occupational hazards; and we also establish employee health cards to confirm health status through occupational health examinations (pre-job, during-employment and post-leaving), and making timely adjustments based on the results. Additionally, we implemented a three-level safety training for new employees, while regularly carrying out hidden danger investigations and emergency drills to strengthen employees’ safety awareness. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major safety accidents, nor had we been subject to any major administrative punishments from safety production supervision departments due to violations of safety production laws and regulations.

Employee Training and Development

We attach great importance on employee training, considering it as a bond between employee growth and corporate development. During the Track Record Period, we have developed comprehensive plans aligned with business demands and employee development goals, and organized multiple training sessions focused on management knowledge and professional skills. These initiatives not only provide employees with platforms for enhancement and growth but also empower teams to translate learning

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into efficiency, thereby ensuring a sustained supply of talents for our high-quality development. Meanwhile, we have implemented an equity incentive mechanism that deeply aligns personal reward with our long-term value, thereby retaining core talents and promoting performance growth.

Supply Chain Security and Management

We have established an excellent supplier management and investigation mechanism, and developed internal systems such as the supplier management procedure (《供應商管理程序》), supplier investigation report (《供應商調查報告》) and contractor construction management measures (《承包商施工管理辦法》), covering the whole process from supplier selection to full-chain collaboration. We carry out supplier selection and management based on quality capabilities and management competencies. In terms of supplier performance evaluation, we mainly assess multiple dimensions such as quality capability, supply capacity and risk management competency, and select those with key technical products for strategic cooperation; while in terms of procedural compliance, we focus on examining suppliers' confidentiality agreements, anti-bribery agreements, environmental agreements, environmental substance investigation and declaration, investigative reports, and quality management system certification to ensure supply chain security.

Meanwhile, we place high importance on supply chain ESG management, comprehensively considers supplier's commitment to social responsibility, investigates whether the supplier fulfills its duties towards society, environment and stakeholders (such as employees, communities, and consumers), and integrates business operation with social value creation (rather than taking profit maximization as the sole objective).

Products and Services-related Safety and Quality

We consistently uphold the business philosophy of “product excellence, technological innovation.” We have not only obtained international quality management system certifications such as IATF16949, ISO 9001 and ISO 13485, but also established a comprehensive management guideline framework centered around the quality policy, end of manufacturing (“EOM”) policy, hazardous substances free (“HSF”) policy and information security management system (“ISMS”) policy. Meanwhile, we persist in using environmentally friendly materials, strictly avoid product contamination, and ensure compliance with all regulatory and customer requirements through continuous improvement.

Information Security and Privacy Protection

We attach great importance on cybersecurity and data protection. In strict accordance with PRC laws and regulations such as the Cybersecurity Law (《網絡安全法》), the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》), and the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》), we have established internal systems including the information security management manual (《信息安全管理制度》), the information security emergency response plan (《信息安全應急響應計劃》), the data security management regulations (《數據安全管理規定》), and the personal information protection policy (《個人信息保護制度》). Furthermore, we have successfully obtained ISO 27001 international certification. Based on the above systems, we have established an information security-related organizational structure comprising an Information Security Management Committee, an Information Security Working Group, and a Supervision and Audit Working Group to oversee the implementation of information security management tasks.

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We adopt a multi-layered protection strategy of “Technology + Management + Operation.” In terms of data security, we have implemented classified and graded data management and control, and ensured the full life-cycle data security by in combination with end-to-end encryption, refined privilege management and distributed backup mechanisms. In terms of network security protection, we deploy firewalls, intrusion prevention systems and other measures to build a dynamic defense system. In terms of security awareness cultivation, we regularly organize company-wide security training, and conduct attack-defense drills and emergency response tests. In terms of cooperation with third parties, we strictly execute partner review mechanisms, and continuously iterate and upgrade security strategies and technical measures to ensure that our protection capabilities evolve in step with business development and technological changes, providing a solid guarantee for stable business operation and customer’s data security.

Innovation and R&D

We always anchor our development in innovation and R&D, having established the R&D management system (《研發管理制度》) and continuously increased the investment efforts. On one hand, we solidify the technological foundation of existing products and deepen the market layout; on the other hand, we accelerate the industrialization of new products and promote the rapid transformation of innovative achievements. To solidify the innovation foundation, we continuously upgrade the R&D laboratory environments, providing robust support for technological breakthroughs and product iterations. In specific R&D practices, we not only focus on the continuous optimization for existing equipment performance, but also closely align with market dynamics and customer demands, striving to fully meet diversified customization needs.

We place high importance on intellectual property protection. In strict accordance with the laws and regulations such as the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) and the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), we have established a series of internal systems including the intellectual property management regulations (《知識產權管理規定》), clarifying the protection measures for patent rights, software copyrights, trademarks, trade names, among others, and comprehensively enhancing the protection efforts. While actively protecting self-owned intellectual property rights, we also fully respect others’ intellectual property rights. We clearly clarify ownership boundaries in collaborative R&D to safeguard the rights and interests of all parties involved.

Social Contributions

We maintain close communication with the communities in all operating locations, actively listen to the needs, and participate in public welfare initiatives such as educational support, environmental protection, disaster relief, emergency response and employee participation into commonweal. We deliver warmth through both financial donations and volunteer services, and contribute to social development with practical actions. During the Track Record Period, our total investment in public welfare and charity amounted to RMB95,000.

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INFORMATION SECURITY AND PRIVACY PROTECTION

In the course of conducting our business, we collect and process data primarily related to the transactions with our enterprise customers. Adhering to the principle of data minimization, we collect only the essential information from our customers, suppliers and other third-party service providers solely to facilitate the sales and delivery of our products, as well as to provide after-sales services.

We have established a comprehensive data security and information management system to ensure the integrity of our systems and the privacy of our data. We have implemented several security measures, including firewalls, intrusion prevention systems, regular penetration tests, vulnerability scans, and disaster recovery plans. We also encrypt data and utilize email security protection systems. We have also adopted encrypted algorithms to store sensitive data and strictly execute data accessing and transmitting policies to ensure the confidentiality of our data. We have developed internal control and data accessing mechanisms and detailed approval and operation procedures regarding data storage and processing and established a set of internal protocols on data security, which set forth detailed, stringent requirements in relation to the use, disclosure and protection of confidential information. We have adopted a data backup mechanism and system to minimize the risk of data loss.

Looking forward, we remain dedicated to strengthening our data security framework, prioritizing innovation and adaptability in our practices to meet the growing expectations of data protection in global markets. Our PRC Data Compliance Legal Advisors are of the view that we have been in compliance with the relevant PRC laws and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date.

LEGAL PROCEEDINGS AND COMPLIANCE

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material or systematic 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 business, financial condition and results of operations.

Compliance with the U.S. Sanction Laws

We have obtained an independent legal opinion from the International Sanction Counsel regarding our exposure to sanctions and export-control regulations in accordance with Chapter 4.4 of the Guide for New Listing Applicants. As advised by the International Sanction Counsel, we have not engaged in any transactions that would constitute a violation of applicable U.S. or international primary or secondary sanctions laws, nor have we undertaken any activities that would be prohibited under comparable regimes in other major jurisdictions during the Track Record Period and up to the Latest Practicable Date. We have conducted limited sales to certain customers designated under the U.S. Entity List. All relevant products were developed and manufactured entirely in the PRC and do not incorporate U.S.-origin controlled items above the de minimis threshold under §734.4 of the EAR. Moreover, such transactions did not trigger licensing requirements under the EAR’s Foreign-Produced Direct Product Rules. Certain customers are also listed under the NS-CMIC and CMC Lists, which do not prohibit commercial dealings by non-U.S. persons. We have not conducted business in or with entities from comprehensively sanctioned jurisdictions, including Iran, North Korea, Cuba, or the Crimea region during the Track Record Period and up to the Latest Practicable Date. Accordingly, our International Sanction Counsel is of the view that our Group’s exposure to sanctions risk is remote and does not pose any material adverse impact on our operations or [REDACTED] suitability.

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The International Sanction Counsel further noted that (i) our operations and transaction flows are conducted in jurisdictions not subject to comprehensive or regional sanctions; (ii) we maintain procedures to assess the export-control classification of our products and the eligibility of our counterparties under relevant sanctions regimes; and (iii) our internal compliance policies, including ongoing monitoring and staff training, are aligned with international best practices. Accordingly, our International Sanction Counsel is of the view that our overall exposure to international sanctions and export-control risk is limited and manageable, and does not present any legal impediment to our suitability for [REDACTED] under Chapter 4.4 of the Guide.

Social Insurance and Housing Provident Fund

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some employees in full in accordance with relevant PRC laws and regulations. The shortfall amounts were RMB4.1 million, RMB6.5 million and RMB10.4 million in 2023, 2024 and 2025, respectively. The non-compliance arose primarily due to practical challenges in workforce management: (i) we operate with a large labor force characterized by relatively high employee mobility, particularly in manufacturing positions, which created administrative challenges in maintaining full compliance across all employees at all times; (ii) certain employees were not willing to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salary, as such contributions would reduce their take-home pay; and (iii) a significant number of the Company’s employees are migrant workers who typically are not willing to participate in social welfare schemes of the city where they temporarily reside, as such contributions are not transferable among cities and they prefer to participate in social welfare programs in their hometowns where they intend to permanently settle.

According to relevant PRC laws and regulations, the potential penalties are as follows: for outstanding social insurance contributions, the relevant authorities may demand payment within a stipulated deadline, and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments within the prescribed period, we may be liable to a fine ranging from one to three times the amount of the outstanding contributions. For outstanding housing provident fund contributions, we may be ordered to pay the outstanding amount within a prescribed time period. If payment is not made within such period, the housing provident fund management center may apply to PRC courts for compulsory enforcement.

Our PRC Legal Advisor advises that we would be subject to fines only if: (i) the relevant social insurance or housing provident fund authorities determine that the contributions made do not comply with requirements under relevant PRC laws and regulations and order us to pay the outstanding balance within a prescribed period plus late fees; and (ii) we fail to make such payment within the prescribed period as requested by the relevant authorities. We undertake that, if ordered to make such a payment, we will do so within the prescribed time period to avoid penalties.

As of the Latest Practicable Date, (i) we had not been subject to any material administrative penalties with respect to social insurance and housing provident fund contributions during the Track Record Period; (ii) we had not received any notification from relevant PRC authorities requiring payment of material shortfalls or penalties; and (iii) we were not aware of any material employee complaints and has not been involved in any material labor disputes with employees regarding these matters. Based on these factors and the low likelihood of enforcement action given the absence of any

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complaints or enforcement notices to date, our PRC Legal Advisor is of the view that the risk of our Company being subject to material penalties is remote. As a result, we had not made provisions for the shortfall in social insurance and housing provident funds.

We have implemented comprehensive rectification measures to prevent future occurrences of such non-compliance. We are actively communicating with employees to seek their understanding and cooperation in complying with the applicable payment base, recognizing that full compliance also requires additional contributions from employees. We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a regular basis to ensure ongoing compliance. We have established processes to keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds, and will consult with PRC legal counsel on a regular basis for advice on relevant regulatory requirements and developments.

We undertake to make timely payments for any deficient amounts and overdue charges as soon as requested by competent governmental authorities, thereby avoiding any potential fines or enforcement actions.

Lease Registration Requirements

As of the Latest Practicable Date, we had not completed the registration of two lease agreements with the relevant PRC government authorities. These two properties have an aggregate GFA of 30 sq. m. and are used solely for business registration and administrative purposes. Neither property is involved in our production activities or core operational functions.

The lease registration was not completed primarily because the respective landlords failed to cooperate in completing the lease registration process with the relevant authorities. Under PRC law, lease registration requires the cooperation and participation of both landlord and tenant, and the Company was unable to complete the registration unilaterally despite its willingness to do so.

According to the Measures for the Administration of Commodity House Leasing, if the relevant PRC government authorities require to rectify the non-registration and the Company fails to do so within the prescribed time period, the Company may be subject to a fine of not less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement. Therefore, the maximum aggregate penalty for the two unregistered leases would be RMB20,000. Given the immaterial nature of the maximum potential penalty amount, we have not made specific provisions for this contingent liability, as it would not have any material impact on the Company’s financial position. As advised by our PRC Legal Advisor, failure to register an executed lease agreement will not affect the legality, validity, or enforceability of the lease contract under the Civil Code of the PRC. The Company has the legal right to use these properties for the agreed purposes throughout the lease term notwithstanding the lack of registration with authorities.

We believe that we do not face material operational or financial impact even if required to vacate these properties for the following reasons. First, both properties are used solely for business registration purposes and are not involved in any production or operational activities. Our actual business operations would not be disrupted by relocation. Second, the aggregate GFA of only 30 sq. m. is minimal and represents an insignificant portion of our total operational space. Third, there are sufficient alternative office premises available in the market in Suzhou Industrial Park for business registration

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purposes, and relocation could be completed within a short timeframe with minimal associated costs. We estimate that relocation, if required, could be accomplished within approximately one to two weeks with costs not exceeding RMB10,000 for moving and re-registration expenses.

As of the Latest Practicable Date, the Company has not received any notice from relevant government authorities requiring rectification of the lease registration, nor has it been subject to any penalties. Based on: (i) the absence of any enforcement action or notices to date; (ii) the minimal nature of the properties involved; (iii) the fact that non-registration does not affect lease validity; and (iv) the immaterial maximum penalty amount, our PRC Legal Advisor is of the view that the likelihood of the Company being penalized is low. Even if penalties were imposed, the maximum amount of RMB20,000 would be immaterial and would not have any material adverse effect on the Company’s business, financial condition, and results of operations.

In the future, we will emphasize compliance with property registration requirements as part of our overall compliance framework and will take prompt action to rectify any future registration deficiencies that may arise.

Legal Proceedings

We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. For more information, please refer to “Risk Factors — Risks Relating to Our Operations — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business. Unfavorable results of legal and regulatory proceedings could materially adversely affect our business and financial condition and performance.” As of the Latest Practicable Date, we were involved in the following ongoing legal proceedings: (i) *a labor dispute with a former employee*. This case is a labor dispute with our Company as the plaintiff. In this case, we seek a court judgment that we are not required to pay the defendant overtime wages of approximately RMB71.6 thousand and that all litigation costs be borne by the defendant; and (ii) *a sales contract dispute with a former customer*. This case is a sales contract dispute with our Company as the plaintiff. In this case, we seek a court judgment that the defendant pay the outstanding purchase price of approximately RMB54.5 thousand and overdue payment interest, and that all litigation costs be borne by the defendant. As of the Latest Practicable Date, neither the case had yet been heard in court. In addition, during the Track Record Period, we were involved in a construction contract dispute with our Company as the defendant and counterclaim plaintiff. The case was filed with the Suzhou Huqiu District People’s Court in April 2024. The case involves three construction contracts signed in February 2022 for renovation work at our factory premises, with a total contract estimated value of approximately RMB2.05 million. The plaintiff claims payment of construction costs totaling approximately RMB1.2 million plus overdue interest. We filed a counterclaim seeking compensation of approximately RMB1.5 million for repair costs related to quality defects identified in the construction work. In September 2024, the court issued its judgment ordering us to pay the plaintiff approximately RMB0.8 million in construction costs after offsetting our counterclaim award for quality defect repairs, together with overdue interest. The judgment also dismissed the remainder of both parties’ claims. The financial impact of this judgment has been fully recognized and reflected in our audited consolidated statements of profit or loss for the year ended December 31, 2025. As of the Latest Practicable Date, there had been no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

BUSINESS

INTERNAL CONTROL AND RISK MANAGEMENT

It is the responsibility of our Board to ensure that we maintain sound and effective internal controls and risk management system to safeguard our shareholders’ investment and our assets. The objectives of our risk management system are to: (i) identify potential events that may impact us, ensuring relevant risks are controlled within acceptable and appropriate levels relative to our objectives; (ii) facilitate accurate and reliable communication of information to both internal and external stakeholders of our Company; (iii) ensure compliance with our business operations; (iv) enhance the efficiency and effectiveness of our business activities, thereby reducing uncertainties in achieving operational goals; and (v) establish crisis management plans for significant risks to protect our Company from substantial losses due to catastrophic risks or human errors. Our Audit Committee is responsible for reviewing the regulations and primary objectives related to risk management, submitting an annual comprehensive risk management report to the Board, reviewing risk management strategies and solutions for significant risks, and addressing other matters related to comprehensive risk management as authorized by the Board. Our internal audit department is tasked with implementing our risk management policies and systems. Other departments and business units are coordinated and supervised by the internal audit department in their risk management efforts.

The typical operating procedures of our risk management work include the following: (i) collecting information related to risk management, including historical data and future forecasts. Specifically, in terms of strategic risk, we extensively gather cases where domestic and international companies have suffered losses due to uncontrolled strategic risks; in financial risk, we collect cases of financial crises caused by uncontrolled financial risks; in market risk, we gather cases where companies have suffered losses due to neglecting market risks and lacking response measures; in operational risk, we collect information relevant to our Company and industry; and in legal risk, we gather cases where companies have suffered losses due to neglecting legal and regulatory risks and lacking response measures; (ii) assessing the significance and likelihood (or frequency and probability) of risks; (iii) senior management assists the Board in determining a unified risk appetite and tolerance based on business characteristics, and establishes risk warning lines and corresponding countermeasures; (iv) senior management formulates risk management solutions for significant risks based on risk management strategies; and (v) senior management supervises the implementation of risk management, making timely improvements based on changes and any deficiencies. Our approach also involves the continuous enhancement of internal control mechanisms and regular reviews of our risk management policies and internal control measures to maintain their effectiveness and adequacy, ensuring that our operations align with industry standards and regulatory requirements.

IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic, which began in early 2020 continued to spread worldwide through 2022 including in regions where we have business operations. To contain the spread of COVID-19 in our offices and production facilities and safeguard employee well-being, we implemented mitigation measures, including remote-work arrangements, social-distancing and mask-wearing protocols. Our supply chain, daily operations and financial results were not materially adversely affected during the Track Record Period. With the normalization of operations in 2023 following COVID-19, we ramped up business development and returned administrative personnel to the office, resulting in higher selling and marketing expenses and administrative expenses. As the COVID-19 pandemic has subsided, we do not expect further material adverse impact on our business or financial performance, although we will continue to monitor developments. See “Risk factors — Risks Relating to Our Operations — Any catastrophes, including natural disasters, outbreaks of health epidemics and other extraordinary events, could disrupt our business operations.”