SUMMARY

This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your **[REDACTED]** *decision. There are risks associated with any* **[REDACTED]**. *Some of the particular risks in investing in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OUR MISSION

To focus on innovation in the research and development, and manufacturing of plasma processing equipment utilized in semiconductor and printed circuit boards ("**PCB**") manufacturing, driving the independent development of the domestic industrial chain of high-tech electronic industries in China.

WHO WE ARE

We are a plasma processing equipment manufacturer with significant market standing in the PRC, specializing in the research and development, manufacturing, and sales of plasma processing equipment utilized in high-tech electronic fields, such as PCB and semiconductor manufacturing. Our business presence spans across Chinese Mainland, Southeast Asia, North America and Europe. According to Frost & Sullivan, we rank among the top three in China PCB plasma desmear equipment market in terms of revenue generated from China for each year from 2023 to 2025. We possess a market share of approximately 3.6% in the PCB plasma processing equipment market in China in terms of revenue generated from China in 2025, according to the same source. Capitalizing on our expertise in plasma processing technology, we are strategically focusing our resources and development efforts on expanding our capabilities and market presence in plasma processing equipment for semiconductor manufacturing sector.

Our equipment mainly include (i) plasma desmear equipment widely utilized in PCB manufacturing, consumer electronics, and other industries, as well as ancillary equipment used for PCB manufacturing; (ii) semiconductor dry ashing equipment and dry etching equipment, and plasma descum equipment used for semiconductor packaging; and (iii) Smart Feeders used for plasma desmear equipment. We also provide components and accessories for plasma processing equipment, and repair and maintenance services to our customers. We offer equipment with customized features that deeply integrate with our customers' production processes, to meet the demand for widespread application from downstream customers.

- We have been committed to the research and development of products for applications in PCB manufacturing and other industries, and have developed a comprehensive range of plasma desmear equipment designed to enhance surface treatment processes in the production and maintenance procedures. Our equipment effectively remove surface contaminants and oxide layers from material surface to enhance welding and bonding strength, which are critical for improving the performance and reliability of PCBs.

- We have also been engaged in the research and development, and manufacturing of plasma descum equipment, bump flattening machine, and debonding machine used for semiconductor packaging. Recognizing the growing demand for high-precision processing equipment in semiconductor manufacturing, we have expanded our product offerings to include dry ashing equipment and dry etching equipment in March 2023. These products leverage nearly 20 years of our expertise in plasma processing technology to meet the stringent requirements of advanced semiconductor manufacturing processes.

Our products used in semiconductor manufacturing process, represented by dry ashing equipment and dry etching equipment, can effectively meet the requirements of advanced semiconductor manufacturing with excellent accuracy and reliability. Etching is a core process of semiconductor patterning, and dry etching equipment are mainly used to remove materials in specific areas to form microscopic structural patterns. Dry etching equipment is known as one of the core equipment in semiconductor manufacturing, characterized by high value and considerable market size. In addition to dry etching equipment, dry ashing equipment is also essential in the semiconductor etching process.

During the Track Record Period, we derived our revenue primarily from (i) sales of plasma desmear equipment applied in PCB manufacturing and other industries, mainly including plasma desmear equipment, as well as ancillary equipment used for PCB manufacturing; (ii) sales of plasma processing equipment applied in semiconductor manufacturing, mainly including dry ashing equipment and dry etching equipment, and plasma descum equipment used for semiconductor packaging; (iii) sales of Smart Feeders used for plasma desmear equipment, (iv) sales of components and accessories for plasma processing equipment, and (v) provision of repair and maintenance services for plasma processing equipment.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success, differentiated us from our competitors and earned the trust of our customers:

- A leading plasma processing equipment manufacturer, rapidly developing in the field of advanced semiconductor processing equipment in China
- Leading key technologies to ensure our products consistently meet customer needs and are widely adopted in the industry
- Continuously expanding and high-performance product portfolio
- Differentiated customer engagement and stable customer partnerships
- Strategic expansion into overseas markets and empowering the global presence of domestic brands
- A visionary and entrepreneurial management and talent team

See "Business — Our Competitive Strengths" for details.

OUR DEVELOPMENT STRATEGIES

We are committed to achieving our business goals and mission through implementing the following strategies:

- Strengthen our business in semiconductor manufacturing industry
- Continue to invest in technological innovation
- Continue to expand product portfolio and enhance product performance
- Further develop our production capacity and manufacturing process
- Strengthen exploration of overseas business opportunities in sales to semiconductor sector and achieve global expansion
- Selectively explore investment and acquisition opportunity

See "Business — Our Development Strategies."

OUR PRODUCTS AND SERVICES

We are a plasma processing equipment manufacturer with significant market standing in the PRC, specializing in the research and development, manufacturing, and sales of plasma processing equipment. We offer a comprehensive range of plasma processing equipment to customers in high-tech electronic fields, such as PCB and semiconductor manufacturing. Additionally, we provide a variety of components and accessories as well as repair and maintenance services related to plasma processing equipment to address our customers' diverse needs.

Plasma is a state of ionized gas composed of ions and free electrons, which exhibits unique physical and chemical properties. These properties allow plasma to effectively interact with various materials, making it a valuable tool in surface treatment applications. By utilizing high-precision equipment which generates parameters such as gas mixture, pressure, and power, the effects of plasma's interaction with materials upon surface can be precisely specified and tuned to achieve desired outcomes. As a result, the material to be disposed of will be struck out and expelled along with the mixed gas. Common plasma treatments include etching, surface activation, and coating, which find extensive use across a variety of industrial fields.

Leveraging our expertise in plasma processing technology, we deliver a diversified portfolio of advanced plasma processing equipment tailored for PCB and semiconductor manufacturing, and consumer electronics among other applications, thereby satisfying downstream customers' stringent requirements for high-tech and efficient advanced processing solutions. Our experienced technical personnel, after thoroughly understanding the customers' needs for processing equipment, refine traditional processing technologies and equipment, and meticulously design and develop high-performance processing equipment. Our production facilities are capable of manufacturing both customized equipment to meet non-standard customer requirements and standardized advanced processing equipment, such as dry ashing equipment and dry etching equipment, to supply the large-scale procurement needs of downstream customers. In addition, we extend equipment repair and maintenance services contingent upon our customers' requests. Besides installation and regular inspection and maintenance services within the warranty period of products we sold, we also provide paid repair and maintenance services for products after expiry of their warranty period. In recognition of our technological and production capabilities, we have also been engaged by customers to provide repair and maintenance services for plasma processing equipment used for PCB products they purchased from our industry peers, upon their request. Our extensive product coverage in plasma processing equipment, combined with our ability to provide flexible services, creates a synergistic effect that enhances our influence within the industry ecosystem.

Plasma Desmear Equipment for PCB Manufacturing and Other Applications

Our products designed for PCB manufacturing and consumer electronic industries include a range of plasma processing equipment, which are primarily used for cleaning and other necessary procedures in the production and post-production maintenance of PCBs and consumer electronics. They effectively remove surface contaminants and oxidation layers, enhancing soldering and bonding performance.

We also provide ancillary equipment used for the process of PCB manufacturing from initial surface preparation to final inspection. Such ancillary equipment is sourced from third-party suppliers and provided to our customers on an occasional basis, accounting for a relatively small portion of our revenue.

Equipment for Semiconductor Manufacturing

We manufacture and offer plasma processing equipment used for semiconductor packaging, including semiconductor descum equipment, bump flattening machines and debonding machines. Recognizing the growing demand for high-precision processing equipment in semiconductor manufacturing, we have expanded our product offerings to include dry ashing equipment and dry etching equipment since March 2023.

Smart Feeders Used for Plasma Desmear Equipment

Our Smart Feeder is a fully automated equipment specifically designed to load and unload PCB panels for plasma desmear equipment, facilitating the workflow connection between preceding and subsequent processes. Serving as a smart nexus between upstream and downstream production processes in which plasma desmear equipment are used, Smart Feeders enable automatic handling of PCB panels with great precision and efficiency. Our Smart Feeders feature flexibility in its configurations to be able to work with up to four plasma desmear equipment at the same time. This significantly optimizes the productivity of multi-equipment collaboration, minimizes manual operation and improves operational efficiency.

Components and Accessories

During the Track Record Period, we produced in our production base and sold to our customers components and accessories used in our equipment as a supplement to our sales of equipment. The components and accessories we produced and sold mainly include quartz glass, vacuum pumps, motor components, medium-frequency power supplies, flexible circuit fixtures, antenna components, microwave matchers, and alumina tubes.

Repair and Maintenance Services

During the Track Record Period, we charge our customers service fees to provide repair and maintenance services for our products that have exceeded their warranty period, and in recognition of our technology and production capabilities, upon request by our customers, we have also been engaged to provide after-sale services for plasma processing equipment that they purchased from industry peers.

See "Business — Our Products and Services" for details.

RESEARCH AND DEVELOPMENT

The core technologies utilized in all of our equipment are developed by our in-house R&D team. We have successfully developed and launched a variety of equipment featuring plasma processing technology for applications in manufacturing of PCBs, semiconductors, consumer electronics and other industries. We also innovatively developed Smart Feeders to be used together with plasma processing equipment for higher operational efficiency in our customers' production process. We intend to expand and improve our product portfolio by strengthening our research and development of new products and improving our existing products based on the customer needs and market trends.

See "Business — Research and Development" for details.

PRODUCTION

We have internally developed manufacturing processes necessary to produce our products on a commercial scale. Our manufacturing team is led by our Chief Development Officer, Xu Yuanfeng (徐元鋒), who has around 20 years' experience in the plasma processing industry. As of December 31, 2025, we had 84 personnel in production division. We provide training to our production division personnel to ensure that they possess the skill sets and techniques required in the relevant production process, and comply with our quality control requirements as well as applicable laws and regulations.

Our production division consists of three specialized departments: machining department, electrical control department, and assembly department. The machining department processes purchased materials into components required for our products. The electrical control department assembles control panels based on schematics provided by our designers. Finally, the assembly department integrates all components and control panels to complete the final product.

During the Track Record Period, we had one production base, namely, the Zhuhai Hongqi production base. See "Business — Production" for details.

SALES AND MARKETING

Based on the strong competitiveness of our products and our many years of expertise in the field of plasma processing technology, our products are sold across Chinese Mainland, Southeast Asia, North America and Europe. In the PRC, our products are sold across 17 provinces, cities, autonomous regions and special administrative regions.

During the Track Record Period, the sales of our products in the PRC are sold mainly through direct sales. To expand the geographic coverage and consumer reach of our products, we complement our direct sales with distribution network in our overseas markets. In 2023, 2024 and 2025, revenue from direct sales amounted to RMB104.4 million, RMB129.0 million and RMB156.8 million, respectively, representing 75.4%, 86.1% and 89.1% of the total revenue for the same years, respectively. In 2023, 2024 and 2025, we had 129, 132 and 145 direct sales customers, respectively, which are mainly PCB customers.

During the Track Record Period, we had distribution relationships with overseas and domestic distributors. According to Frost & Sullivan, our use of distributors is in line with the industry norm. In 2023, 2024 and 2025, we had five, five and five distributors, respectively. In 2023, 2024 and 2025, the revenue from our distributors amounted to RMB34.1 million, RMB20.8 million and RMB19.2 million, respectively, representing 24.6%, 13.9% and 10.9% of the total revenue for the same years.

See "Business — Sales, Marketing and Customers — Sales Channels and Customers" for details.

OUR CUSTOMERS

We provide our products to customers from various industries, primarily including PCBs, semiconductors and consumer electronics. In 2023, 2024 and 2025, we provided our products and services to approximately 134, 137 and 150 customers in Chinese Mainland and overseas, respectively, primarily including Southeast Asia, North America and Europe.

In 2023, 2024 and 2025, revenue generated from our largest customer accounted for 20.1%, 19.0%, and 24.6% of our total revenue during those years, respectively. In 2023, 2024 and 2025, revenue generated from our five largest customers accounted for 60.9%, 51.5%, and 62.7% of our total revenue in the same years, respectively.

See "Business — Sales, Marketing and Customers — Five Largest Customers" for details.

OUR SUPPLIERS

We procure from suppliers a variety of materials for the manufacturing of our products, including, among others, aluminum materials, vacuum pumps and radio frequency generators. Our procurement plans are formulated based on inventory levels and market supply conditions. Purchases from our five largest suppliers in 2023, 2024 and 2025 accounted for 25.9%, 30.7%, and 28.2%, respectively, of our total purchases during those years. Purchases from our largest supplier in 2023, 2024 and 2025 accounted for 9.6%, 10.7%, and 10.6%, respectively, of our total purchase amount during those years.

See "Business — Our Procurement and Supply Chain Management" for details.

COMPETITIVE LANDSCAPE

Due to high technical barriers, save as disclosed in this document, the number of participants in China's plasma processing equipment market is relatively limited, resulting in a relatively high concentration of overall market competition. Based on revenue in 2025, the top five market participants accounted for 72.3% of the market share in China, according to Frost & Sullivan. Market participants in China can be divided into international manufacturers and domestic manufacturers. Leveraging the first-mover advantage in technology research and development and product layout, international manufacturers have historically dominated the China's plasma processing equipment market. However, with the rapid technological advancements and continuous introduction of new products by domestic manufacturers, a few domestic companies have gradually gained more market share. The PCB plasma desmear equipment industry in China also has similarly high entry barriers. However, the PCB plasma desmear equipment market in China is relatively fragmented compared to the broader plasma processing equipment market — the top three players accounted for only 13.0% of the market share by revenue in 2025, according to Frost & Sullivan. We rank among the top three in China PCB plasma desmear equipment market in terms of revenue generated from China for each year from 2023 to 2025 according to Frost & Sullivan. We possess market share of approximately 3.6% in the PCB plasma processing equipment market in China in terms of revenue generated from China in 2025, according to the same source.

Please refer to the section headed "Industry Overview" in this document for more details about the major competitors of our products.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted a comprehensive set of risk management policies, which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Our senior management, and our Board of Directors supervise the implementation of our risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our senior management.

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder's investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis.

See "Business — Risk Management and Internal Control" for more detailed discussions.

INTELLECTUAL PROPERTY

We have built a comprehensive intellectual property portfolio to protect our technologies and inventions and ensure our future success. As of December 31, 2025, we had 27 approved patents, including 16 invention patents and 10 utility model patents, and one design patent in Chinese Mainland, and five approved patents in Taiwan. As of December 31, 2025, we had eight registered trademarks in Chinese Mainland and three registered trademarks in Hong Kong. See "Business — Intellectual Property" for details.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables summarize our consolidated financial results during the Track Record Period and should be read in conjunction with the section headed "Financial Information" of this document and the Accountant's Report set forth in Appendix I to this document.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit and loss and other comprehensive income for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**138,531**	**149,710**	**176,041**
Cost of sales	(64,699)	(74,919)	(77,543)
Gross profit	**73,832**	**74,791**	**98,498**
Other income	698	579	3,694
Impairment losses (including reversals of impairment losses or impairment gains) of financial assets and other items	(12)	(333)	(2,652)
Other gains and losses	(66)	675	(638)
[REDACTED]	—	—	**[REDACTED]**
Distribution and selling expenses	(8,977)	(8,746)	(10,341)
Administrative expenses	(13,390)	(11,743)	(18,779)
Research and development expenses	(10,070)	(10,453)	(11,983)
Other expenses	(10)	(1)	(566)
Finance costs	(258)	(245)	(640)
Profit before tax	**41,747**	**44,524**	**41,949**
Income tax expenses	(4,967)	(5,281)	(4,621)
Profit for the year	**36,780**	**39,243**	**37,328**
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	—	—	(26)
Total comprehensive expense income for the year	**36,780**	**39,243**	**37,302**

Revenue

During the Track Record Period, we generated our revenue mainly from (i) sales of plasma desmear equipment and ancillary equipment applied in PCB manufacturing and other industries; (ii) sales of plasma processing equipment applied in the semiconductor manufacturing, mainly including dry ashing equipment and dry etching equipment, as well as plasma descum equipment used for semiconductor packaging; (iii) sales of Smart Feeders used for plasma desmear equipment, (iv) sales of components and accessories for plasma processing equipment, and (v) provision of repair and maintenance services for plasma processing equipment.

Revenue by Business Segment

The following table sets forth a breakdown of our revenue by business segment for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Equipment						
For PCB manufacturing and other applications	**86,825**	**62.7**	**79,058**	**52.8**	**103,819**	**59.0**
— Plasma desmear equipment for PCB manufacturing	76,712	55.4	59,534	39.8	76,637	43.5
— Plasma desmear equipment for other applications[1]	10,113	7.3	19,524	13.0	23,218	13.2
— Ancillary equipment for PCB manufacturing	—	—	—	—	3,964	2.3
For semiconductor manufacturing	**11,779**	**8.5**	**35,569**	**23.8**	**19,232**	**11.0**
— Equipment for semiconductor packaging	11,779	8.5	18,851	12.6	15,777	9.0
— Dry ashing equipment and dry etching equipment	—	—	16,718	11.2	3,455	2.0
Smart Feeders used for plasma desmear equipment	**16,424**	**11.8**	**2,890**	**1.9**	**7,082**	**4.0**
Sub-total	***115,028***	***83.0***	***117,517***	***78.5***	***130,133***	***74.0***
Components and accessories	13,290	9.6	20,290	13.6	28,794	16.3
Repair and maintenance services	10,213	7.4	11,903	7.9	17,114	9.7
Total	**138,531**	**100.0**	**149,710**	**100.0**	**176,041**	**100.0**

Note:

(1) Primarily include consumer electronics, automotive electronics and electronic components for display panels.

Revenue by Geographic Location

During the Track Record Period, a majority of our revenue was derived from Chinese Mainland. The following table sets forth a breakdown of our revenue by geographic location for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	95,804	69.2	112,385	75.1	103,050	58.5
Thailand	—	—	7,624	5.1	23,403	13.3
Taiwan	2,250	1.6	4,643	3.1	18,175	10.3
United States	27,803	20.1	12,561	8.4	11,976	6.8
Other countries and regions[1]	12,674	9.1	12,497	8.3	19,437	11.0
Total	138,531	100.0	149,710	100.0	176,041	100.0

Note:

(1) Mainly include Malaysia, Vietnam, the Netherlands and Japan.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Equipment						
For PCB manufacturing and other applications	46,995	54.1	44,268	56.0	57,141	55.0
For semiconductor manufacturing	4,749	40.3	8,271	23.3	7,814	40.6
Smart Feeders used for plasma desmear equipment	7,777	47.4	1,162	40.2	3,037	42.9
Components and accessories	9,344	70.3	14,787	72.9	20,585	71.5
Repair and maintenance services	4,967	48.6	6,303	53.0	9,921	58.0
Total	73,832	53.3	74,791	50.0	98,498	56.0

Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited financial statements included in Appendix I to this document:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	17,234	28,651	58,162
Total current assets	147,946	184,600	261,180
Total current liabilities	39,792	48,366	64,928
Net current assets	108,154	136,234	196,252
Total assets less current liabilities	125,388	164,885	254,414
Total non-current liabilities	4,467	3,013	3,679
Net assets	120,921	161,872	250,735
Total equity	120,921	161,872	250,735

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating cash flows before movements in working capital	47,085	50,716	52,109
Changes in working capital	(31,825)	(47,503)	23,084
Cash generated from operations	15,260	3,213	75,193
Interest received	116	135	215
Income taxes paid	(4,892)	(472)	(8,987)
Net cash from operating activities	10,484	2,876	66,421
Net cash used in investing activities	(380)	(14,372)	(29,151)
Net cash (used in) from financing activities	(1,613)	8,672	55,992
Net increase/(decrease) in cash and cash equivalents	8,491	(2,824)	93,262
Cash and cash equivalents at the beginning of the year	11,260	19,791	17,011
Effect of foreign exchange rate changes	40	44	(191)
Cash and cash equivalents at end of the year	19,791	17,011	110,082

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates/for the years indicated:

	As of/Year Ended December 31,		
	2023	2024	2025
Gross profit margin[(1)]	53.3%	50.0%	56.0%
Net profit margin[(2)]	26.6%	26.2%	21.2%
Current ratio[(3)]	3.7	3.8	4.0
Quick ratio[(4)]	2.2	2.8	3.1

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue for the respective year and multiplied by 100%.

(2) Net profit margin is calculated based on profit for the year divided by revenue for the respective year and multiplied by 100%.

(3) Current ratio is calculated based on the total current assets divided by the total current liabilities as of the relevant dates.

(4) Quick ratio is calculated based on the total current assets less inventories and divided by the total current liabilities as of the relevant dates.

RISK FACTORS

There are certain risks relating to an investment in our Shares. A detailed discussion of the risk factors is set forth in the section headed "Risk Factors". A summary of key risk factors is set forth below. Any of the following developments may have a material and adverse effect on our business, financial condition, results of operations and prospects:

- Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

- Failure to develop and introduce new products could adversely impact our competitiveness, performance and prospects for future growth.

- We depend on growth in the end markets that adopt our products. Any slowdown in the growth of these end markets could adversely affect our business, financial condition and results of operations.

- We operate in a highly competitive industry. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed.

See "Risk Factors" for details.

COMPLIANCE AND LEGAL PROCEEDING

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, financial condition or results of operations. See "Business — Compliance and Legal Proceeding" for more detailed discussions.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Chiu, is able to exercise approximately 78.79% voting rights in our Company through (i) 35,709,500 Shares directly held by him; (ii) 400,000 Shares held by Mufeng Technology; (iii) 2,796,000 Shares held by Dechengji. Mufeng Technology was owned as to approximately 60%, 20% and 20% by Mr. Chiu, Ms. Law (the spouse of Mr. Chiu) and Ms. Chiu (the daughter of Mr. Chiu), respectively. Mr. Chiu, Ms. Law and Ms. Chiu are presumed to be a group of controlling shareholders by virtue of their holdings through a common investment vehicle as well as their spousal relationships. The general partner of Dechengji is Mr. Chiu. Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no Shares are issued pursuant to the **[REDACTED]** Share Option Scheme), Mr. Chiu will be directly and indirectly entitled to exercise approximately **[REDACTED]**% voting rights in our Company. Therefore, Mr. Chiu, Ms. Law, Ms. Chiu, Mufeng Technology and Dechengji will be regarded as a group of Controlling Shareholders under the Listing Rules upon the **[REDACTED]**.

See "Relationship with Our Controlling Shareholders" in this document.

[REDACTED] INVESTMENTS

Our Company obtained two rounds of investment from the **[REDACTED]** Investors through subscriptions for increased registered capital of our Company and through transfers by the then Shareholders. For details, see "History, Development and Corporate Structure — The **[REDACTED]** Investments" in this document.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on the [REDACTED] of HK$[REDACTED] per [REDACTED]
[REDACTED] of our Shares[1]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
[REDACTED] adjusted net tangible assets per **[REDACTED]**[2]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of the **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately following completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised and no Shares are issued pursuant to the **[REDACTED]** Share Option Scheme.

(2) The **[REDACTED]** adjusted net tangible assets per **[REDACTED]** as of December 31, 2025 is calculated after making the adjustments referred to in "Appendix II — **[REDACTED]** financial information" in this document.

[REDACTED]

We estimate that the **[REDACTED]** from the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** stated in this document), will be approximately HK$**[REDACTED]** million, after deduction of **[REDACTED]** fees, commissions, and estimated expenses payable by us in connection with the **[REDACTED]**, and assuming the **[REDACTED]** is not exercised.

We intend to use the **[REDACTED]** from the **[REDACTED]** for the following purposes and in the approximate amounts set forth below:

- Approximately **[REDACTED]**% or HK$**[REDACTED]** million of the **[REDACTED]** will be used for the construction of a new production base at our new headquarters in Zhuhai which will replace our current production facilities and also host our office space.

- Approximately **[REDACTED]**% or HK$**[REDACTED]** million, will be used to invest in R&D of forward looking technologies.

- Approximately **[REDACTED]**% or HK$**[REDACTED]** million, will be used for establishing offices overseas.

- Approximately **[REDACTED]**% or HK$**[REDACTED]** million will be used for general corporate and working capital purposes.

See "Future Plans and **[REDACTED]**" for details.

DIVIDENDS

We declared dividend of RMB50.0 million in 2025, representing a dividend payout ratio of 64.7%. We did not declare dividend in 2023 and 2024. Dividend payout ratio is calculated by dividing our dividend declared during the respective year by the opening balance of distributable net profit of the relevant year attributable to the shareholders of the Company. As of December 31, 2025, we had paid the dividends declared in respect of the financial year ended December 31, 2025 in full. See note 34 to the Accountants' Report in Appendix I to this document.

The declaration and payment of any dividends in the future will be determined by our Board, and will depend on a number of factors, including our financial performance and business operation, capital requirements and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisors, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate at least 10% of our net profit to our statutory common reserve fund until the cumulative amount of the reserve fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses from prior fiscal years have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

See "Financial Information — Dividends " for details.

[REDACTED]

[REDACTED]

[REDACTED]

Our **[REDACTED]** represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. Assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]**, and no exercise of the **[REDACTED]**, we estimate that our **[REDACTED]** will be approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million). The **[REDACTED]** consist of (i) **[REDACTED]** expenses, including **[REDACTED]**, of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (ii) **[REDACTED]** related expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), comprising (a) sponsor fee of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million); (b) fees and expenses of our legal advisers and reporting accountants of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (c) other fees and expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million). During the Track Record Period, **[REDACTED]** of RMB**[REDACTED]** million were charged to profit or loss in 2025. We expect to incur additional **[REDACTED]** of approximately RMB**[REDACTED]** million upon completion of the **[REDACTED]**, which is expected to be deducted from equity. The **[REDACTED]** above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

In the course of general business operations, we may be involved in contract disputes, litigation or other legal procedures. See "Risk Factors — Risks Relating to the Industry and Business — We are subject to risks relating to litigations and disputes with employees, competitors, business partners or other parties, which could adversely affect our business, financial condition, results of operations and prospects." As of the Latest Practicable Date, none of our Company, any of our subsidiaries or any directors has been involved in any material litigation, arbitration or claim that may have a material adverse effect on the Group's financial condition or results of operations

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, save as disclosed in this document, our business has remained stable. Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document.