FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a laser-based precision micro- and nano-processing solution provider focusing on the photovoltaic, semiconductor and next-generation display sectors, underpinned by our proprietary innovative laser technologies. Our business model is centred on technology-driven differentiation and close collaboration with leading downstream manufacturers, enabling us to translate proprietary laser technologies into scalable, commercially proven equipment platforms across multiple high-growth industries. According to CIC, we were the world's largest supplier of photovoltaic cell laser machining equipment in terms of revenue from 2023 to 2025.

During the Track Record Period, our revenue was RMB1,608.9 million, RMB2,013.8 million and RMB2,031.2 million for the years ended December 31, 2023, 2024 and 2025, respectively. We recorded profits for the year of RMB461.2 million, RMB527.6 million and RMB519.2 million for the same years.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by IASB.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, we have consistently adopted all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 2.2 to the Accountants' Report included in Appendix I to this document.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

General Factors

Our business and results of operations are impacted by general factors affecting the development of our industry, which include:

- Macroeconomic conditions and global economic cycles;
- Rapid application of new technological routes in the photovoltaic industry;
- Development of semiconductors and next-generation display technologies;
- Government policies and incentives for renewable energy and high-end manufacturing;
- Geopolitical tensions and trade barriers affecting international trade;
- Market competition and industry consolidation.

Company-specific Factors

Ability to Anticipate Technological Shifts and Drive Product Innovation

Our ability to maintain leadership in laser technologies for the photovoltaic industry is critical to our financial performance. This includes anticipating market transitions, such as the shift from PERC to N-type TOPCon, BC and HJT cells, and successfully developing, qualifying and commercialising corresponding advanced laser processing equipment. We proactively allocate substantial resources to R&D to maintain our technological edge. Our R&D expenses amounted to RMB250.7 million, RMB282.6 million and RMB229.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. The timely launch of next-generation products, such as our LIF equipment for TOPCon and our laser micro-etching systems for BC cells, has been a key driver of our revenue growth.

Ability to Optimise Product Portfolio to Maintain Competitiveness

Our revenue is primarily generated from the sale of laser machining equipment for photovoltaic cells and modules. Our product portfolio for the photovoltaic industry reduce costs and improve efficiency, enabling us to maintain stable profit margins. We provide customised products and maintain close communication with customers to support their capacity expansion cycles. Our gross profit margin remained stable at 45.8%, 46.3% and 45.5% in 2023, 2024 and 2025, respectively.

Ability to Manage Supply Chain and Control Raw Material Costs

The cost of raw materials and consumables used was RMB752.4 million, RMB887.7 million and RMB919.7 million for the years ended December 31, 2023, 2024 and 2025, respectively. As a percentage of our total cost of sales, these costs represented 86.2%, 82.0% and 83.1% for the same years. A significant portion of our cost of sales relates to raw materials, with key optical components such as certain lasers and galvo scanners constituting a major cost element. Our profitability is sensitive to fluctuations in the prices and availability of these components, a substantial portion of which are sourced from overseas suppliers. Our ability to ensure supply chain stability and cost competitiveness is therefore critical. We implement strategic procurement and enter into framework agreements to secure supply. We continually seek to optimise our bill of materials and enhance value engineering in order to mitigate cost pressures.

Ability to Assess Credit Risk and Manage Net Cash Generated From Operating Activities

The photovoltaic industry exhibits a cyclical characteristic and has experienced periods of overcapacity, which may affect the liquidity and creditworthiness of our downstream customers. Our ability to accurately assess counterparty credit risk and proactively manage our trade receivables portfolio is essential to our financial condition. This directly affects our cash flows from operating activities and the level of impairment losses we recognise. We have established a dedicated credit control function and adopt measures such as adjusting payment terms and strengthening collection efforts. During the Track Record Period, our net cash generated from operating activities amounted to RMB635.0 million in aggregate.

Ability to Navigate Geographic Expansion and Hedge Foreign Exchange Exposure

While the majority of our revenue is generated from Chinese Mainland, we are expanding our presence in overseas markets. Our ability to develop international business and manage the associated foreign currency risks impacts our revenue and profitability. Sales to customers outside the PRC are primarily denominated and settled in US dollars, exposing us to fluctuations in the exchange rate between Renminbi and US dollars. Our foreign currency is primarily used for payments for imported raw materials, such as lasers. Our overseas revenue amounted to RMB152.8 million, RMB191.3 million and RMB79.1 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 9.5%, 9.5% and 3.9% of our total revenue for the same years. Our net foreign exchange losses recognised in profit or loss were RMB1.7 million, RMB4.3 million and RMB5.2 million for the same years.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Revenue recognition

Revenue is recognised to depict the transfer of goods to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods. Specifically, we use a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring products or services to a customer ("**transaction price**").

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and our customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenue is recognised either at a point in time or over time, when we satisfy performance obligations by transferring the promised goods or services to our customers.

A contract asset represents our right to consideration in exchange for goods or services that we have transferred to a customer that is not yet unconditional. In contrast, a receivable represents our unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents our obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

Further details of our revenue recognition policies are as follows:

Sales of goods

We research and develop, produce and sell precision laser machining equipment and systems. Recognition of sales occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or we have objective evidence that all criteria for acceptance have been satisfied.

Provision of services

We provide laser equipment maintenance services to external parties. For those contracts that we do not have an enforceable right to payment for performance completed to date, the contract is recognised at a point in time when the services are provided and accepted by the customers.

Warranty

Some goods sold include warranties which require us to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of our entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Renminbi (RMB), which is our functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("**FVPL**") are recognised in profit or loss as part of the fair value gain or loss.

Property, plant and equipment

All property, plant and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charge. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statements of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Properties and buildings	20–50 years
Leasehold Improvements	5–10 years
Machinery	5–10 years
Motor Vehicles	4–8 years
Office equipment	3–5 years
Construction in progress	Not applicable

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.6).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (CGUs). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories

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

Trade, notes and other receivables

A receivable is recognised when we have an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment if that consideration is due. If revenue has been recognised before we have an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses.

Convertible bonds

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth selected items of our consolidated statements of profit or loss and other comprehensive income for the years indicated, derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountants' Report included in Appendix I to this Document. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
Revenue	1,608,897	100.0	2,013,757	100.0	2,031,177	100.0
Cost of sales	(872,489)	(54.2)	(1,082,300)	(53.7)	(1,106,398)	(54.5)
Gross profit	736,408	45.8	931,457	46.3	924,779	45.5
Selling and marketing expenses	(18,787)	(1.2)	(20,232)	(1.0)	(14,994)	(0.7)
General and administrative expenses	(88,691)	(5.5)	(87,934)	(4.4)	(96,349)	(4.7)
Research and development expenses	(250,691)	(15.6)	(282,617)	(14.0)	(229,387)	(11.3)
Fair value gains on financial assets at fair value through profit or loss	5,384	0.3	26,000	1.3	11,019	0.5
Net impairment losses on financial assets	(19,174)	(1.2)	(93,480)	(4.6)	(99,275)	(4.9)
Other income	180,350	11.2	164,168	8.2	121,349	6.0
Other gains and losses, net	(433)	(0.0)	(4,378)	(0.2)	6,985	0.3
Finance costs	(37,234)	(2.3)	(38,981)	(1.9)	(39,905)	(2.0)
Share of results of associates	–	–	(306)	(0.0)	(1,763)	(0.1)
Profits before income tax	507,132	31.5	593,697	29.5	582,459	28.7
Income tax expense	(45,945)	(2.9)	(66,086)	(3.3)	(63,236)	(3.1)
Profit for the year	461,187	28.7	527,611	26.2	519,223	25.6

Revenue

During the Track Record Period, we derived revenue primarily from sales of laser equipment for photovoltaic cells and modules as well as for semiconductors and next-generation display in Chinese Mainland and other countries. For the years ended December 31, 2023, 2024 and 2025, our total revenue amounted to RMB1,608.9 million, RMB2,013.8 million and RMB2,031.2 million, respectively.

Revenue by Type of Goods and Services

The following table sets forth a breakdown of our revenue by business segment, in absolute amounts and as a percentage of our total revenue, for the years indicated:

	Year ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
Laser equipment for photovoltaic cells and modules	1,367,392	85.0	1,994,468	99.0	2,003,543	98.6
Laser equipment for semiconductor advanced packaging and next-generation display	7,770	0.5	–	–	354	0.1
Technical services, maintenance and others	233,735	14.5	19,289	1.0	27,280	1.3
Total	1,608,897	100.0	2,013,757	100.0	2,031,177	100

Laser Equipment for Photovoltaic Cells and Modules

For the years ended December 31, 2023, 2024 and 2025, revenue from our Laser equipment for photovoltaic cells and modules was RMB1,367.4 million, RMB1,994.5 million and RMB2,003.5 million, respectively, representing 85.0%, 99.0% and 98.6% of our revenue in the same years. Revenue from this segment is expected to remain the core driver of our business in the near future.

Laser Equipment for Semiconductor Advanced Packaging and Next-Generation Display

For the years ended December 31, 2023, 2024 and 2025, revenue from our laser equipment for semiconductor advanced packaging and next-generation display electronics was RMB7.8 million, RMB nil and RMB0.4 million, respectively, representing 0.5%, 0.0% and 0.1% of our revenue in the same years.

Technical Services, Maintenance and Others

For the years ended December 31, 2023, 2024 and 2025, revenue from our technical services, maintenance and others was RMB233.7 million, RMB19.3 million and RMB27.3 million, respectively, representing 14.5%, 1.0% and 1.3% of our revenue in the same years. Revenue from this segment is typically generated from spare parts sales, equipment upgrades, and after-sales services.

Revenue by Geographical Location

During the Track Record Period, our revenue from sales of goods was derived from (i) Chinese Mainland and (ii) other countries/regions. The following table sets forth a breakdown of our revenue by geographical market in absolute amounts and as a percentage for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
Chinese Mainland	1,456,057	90.5	1,822,446	90.5	1,952,125	96.1
Other countries/regions	152,840	9.5	191,311	9.5	79,052	3.9
	1,608,897	100.0	2,013,757	100.0	2,031,177	100

From the geographical perspective, the majority of our revenue continues to be derived from Chinese Mainland. In addition, our products are also sold to overseas markets, including Thailand, Vietnam, South Korea, Singapore and Malaysia. The revenue from Chinese Mainland represented 90.5%, 90.5%, and 96.1% of total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. During the same years, we are expanding into new markets across other countries/regions.

Cost of Sales

Our cost of sales mainly includes raw materials and consumables used, manufacturing labour costs, manufacturing overhead and write-down of inventories. Our cost of sales amounted to RMB872.5 million, RMB1,082.3 million and RMB1,106.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. Our cost of sales increased throughout the Track Record Period, and was largely in line with revenue.

The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw materials and consumables used	752,376	86.2	887,667	82.0	919,717	83.1
Manufacturing labour costs	43,385	5.0	82,045	7.6	80,631	7.3
Manufacturing overhead	34,776	4.0	66,115	6.1	65,142	5.9
Others	39,281	4.5	33,020	3.1	20,148	1.8
Write-down of inventories	2,671	0.3	13,453	1.2	20,760	1.9
Total	872,489	100.0	1,082,300	100.0	1,106,398	100.0

The following table sets forth a breakdown of our cost of sales by business segment in absolute amounts and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Laser equipment for photovoltaic cells and modules	783,934	89.8	1,073,032	99.1	1,093,545	98.8
Laser equipment for semiconductor advanced packaging and next-generation display	3,381	0.4	–	–	121	0.0
Technical services, maintenance and others	85,174	9.8	9,268	0.9	12,732	1.2
Total	872,489	100.0	1,082,300	100.0	1,106,398	100.0

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit divided by revenue, expressed as a percentage. Our gross profit amounted to RMB736.4 million, RMB931.5 million and RMB924.8 million for the years ended December 31, 2023, 2024 and 2025, respectively. Our gross profit margin was 45.8%, 46.3% and 45.5% in the same years, respectively.

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

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit RMB'000	*Gross profit margin (%)*	*Gross Profit RMB'000*	*Gross profit margin (%)*	*Gross Profit RMB'000*	*Gross profit margin (%)*
Laser equipment for photovoltaic cells and modules	583,458	42.7	921,436	46.2	909,998	45.4
Laser equipment for semiconductor advanced packaging and next-generation display	4,389	56.5	–	–	233	65.8
Technical services, maintenance and others	148,561	63.6	10,021	52.0	14,548	53.3
Total	736,408	45.8	931,457	46.3	924,779	45.5

Selling and Marketing Expenses

Our selling and marketing expenses primarily include (i) salaries and welfare, (ii) business development expenses, (iii) travel expenses, (iv) depreciation and amortisation expenses, (v) office expenses and (vi) other expenses. For the years ended December 31, 2023, 2024 and 2025, we incurred selling and marketing expenses of RMB18.8 million, RMB20.2 million and RMB15.0 million, respectively.

The following table sets forth a breakdown of our selling and marketing expenses by nature and in absolute amounts and as a percentage of total selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salaries and welfare	8,315	44.3	8,310	41.1	7,289	48.6
Business development expenses	6,488	34.5	7,452	36.8	5,136	34.2
Travel expenses	2,187	11.6	2,270	11.2	2,013	13.4
Depreciation and amortisation expenses	652	3.5	691	3.4	267	1.8
Office expenses	221	1.2	581	2.9	281	1.9
Others[(1)]	924	4.9	928	4.6	8	0.1
Total	18,787	100	20,232	100	14,994	100

Note:

(1) Others primarily include service fees and others.

General and Administrative Expenses

Our administrative expenses primarily include: (i) salaries and welfare, (ii) taxes and surcharges, (iii) depreciation and amortisation expenses, (iv) office expenses, (v) professional service fees, (vi) travel expenses, (vii) share-based payment and (viii) other expenses. For the years ended December 31, 2023, 2024 and 2025, we incurred general and administrative expenses of RMB88.7 million, RMB87.9 million and RMB96.3 million, respectively.

The following table sets forth a breakdown of our general and administrative expenses by nature in absolute amounts and as a percentage of total general and administrative expenses for the years indicated:

	Year ended December 31,					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salaries and welfare	37,300	42.1	39,757	45.2	41,453	43.0
Taxes and surcharges	20,314	22.9	14,587	16.6	19,491	20.2
Depreciation and amortisation expenses	13,961	15.7	13,585	15.4	16,722	17.4
Office expenses	5,652	6.4	4,388	5.0	4,472	4.6
Professional service fees	2,384	2.7	3,816	4.3	3,470	3.6
Travel expenses	2,732	3.1	2,735	3.1	1,917	2.0
Share-based payment	2,690	3.0	3,129	3.6	(1,676)	(1.7)
Other expenses[(1)]	3,658	4.1	5,937	6.8	10,500	10.9
Total	88,691	100	87,934	100	96,349	100

Note:

(1) Other expenses primarily include: maintenance cost, disability protection fund, low value consumables, rental fee, entertainment, low value consumables and debt restructuring expenses.

Research and Development Expenses

Our research and development expenses primarily include (i) salaries and welfare, (ii) material expenses, (iii) depreciation and amortisation expenses, (iv) travel expenses, (v) share-based payments and (vi) other expenses. For the years ended December 31, 2023, 2024 and 2025, we incurred research and development expenses of RMB250.7 million, RMB282.6 million and RMB229.4 million, respectively.

The following table sets forth a breakdown of our research and development expenses by nature in absolute amounts and as a percentage of total research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salaries and welfare	130,112	51.9	151,894	53.8	145,038	63.2
Materials expenses	56,803	22.7	54,657	19.3	22,127	9.7
Depreciation and amortisation expenses	36,484	14.6	42,481	15.0	40,543	17.7
Travel expenses	14,102	5.6	17,015	6.0	16,075	7.0
Share-based payment	5,415	2.2	6,264	2.2	(3,110)	(1.4)
Other expenses	7,775	3.1	10,306	3.7	8,714	3.8
Total	250,691	100	282,617	100	229,387	100

Fair Value Gains on Financial Assets at Fair Value through Profit or Loss

Our fair value gains on financial assets at fair value through profit or loss represent the net increase in the market value of our equity investments. Our fair value gains on financial assets at fair value through profit or loss were RMB5.4 million, RMB26.0 million and RMB11.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Net Impairment Losses on Financial Assets

Our impairment losses on financial assets represent impairment losses recognised on financial assets, primarily trade receivables. We recorded impairment losses of RMB19.2 million, RMB93.5 million and RMB99.3 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Other income

Our other income consists of (i) interest income, (ii) other tax refunds, (iii) government grants and (iv) others. Our other income was RMB180.3 million, RMB164.2 million and RMB121.3 million for the years ended December 31, 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our other income by nature in absolute amounts and as a percentage of total other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest income	74,560	41.3	77,043	46.9	54,428	44.9
Other tax refunds	85,998	47.7	67,137	40.9	45,282	37.3
Government grants	19,633	10.9	19,123	11.7	20,045	16.5
Others	159	0.1	865	0.5	1,594	1.3
Total	180,350	100	164,168	100	121,349	100

Other Gain and Losses, Net

Our other gains and losses consist of (i) loss on disposals of property, plant and equipment, (ii) foreign exchange differences, net and (iii) others. Our other gains and losses, net were RMB-0.4 million, RMB-4.4 million and RMB7.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs primarily consist of (i) interest expense on convertible bonds, and (ii) interest expense on lease liabilities. Our finance costs were RMB37.2 million, RMB39.0 million and RMB39.9 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Share of Results of Associates

Our share of results of associates were nil in 2023. We recorded negative results in our share of results of associates in the amount of RMB0.3 million and RMB1.8 million in 2024 and 2025 respectively.

Income Tax Expenses

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate.

PRC

Under the "EIT Law" and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period, except as disclosed below.

During the Track Record Period, our Company and DR Laser Technology (Wuxi) were recognised as High and New Tech Enterprise ("**HNTE**"). According to the "EIT Law" for High New Tech Enterprises, our Company and these subsidiaries are subject to a reduced Enterprise Income Tax rate of 15% during the Track Record Period.

Singapore

Pursuant to the relevant tax laws of Singapore, a corporate income tax rate of 17.0% has been applied to the taxable income generated in Singapore throughout the Track Record Period.

Israel

Pursuant to the relevant tax laws of Israel, a corporate income tax rate of 23.0% has been applied to the taxable income generated in Israel throughout the Track Record Period.

Tax Disputes and Penalties

As of the Latest Practicable Date, we did not have any disputes with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue remained relatively stable at RMB2,013.8 million in 2024 and RMB2,031.2 million in 2025.

Our revenue from laser equipment for photovoltaic cells and modules increased from RMB1,994.5 million in 2024 to RMB2,003.5 million in 2025, mainly attributable to the growth in revenue from BC equipment.

Our revenue from laser equipment for semiconductor advanced packaging and next-generation display was RMB nil in 2024 as no equipment was accepted and thus no revenue was recognised during the year. We recorded revenue of RMB0.4 million for this segment in 2025, primarily because a small number of equipment units were accepted during the year.

Our revenue from technical services, maintenance and others increased from RMB19.3 million in 2024 to RMB27.3 million in 2025, mainly attributable to the growing demand for maintenance, replacement and technical upgrades with the increased sales of our photovoltaic laser equipment over years.

Cost of Sales

Our cost of sales increased by 2.2% from RMB1,082.3 million in 2024 to RMB1,106.4 million in 2025, in line with our revenue growth.

Our cost of sales from sales of laser equipment for photovoltaic cells and modules remained relatively stable at RMB1,073.0 million in 2024 and RMB1,093.5 million in 2025.

Our cost of sales from laser equipment for semiconductor advanced packaging and next-generation display was RMB nil in 2024 as no equipment was accepted and thus no revenue was recognised during the year. We recorded cost of sales of RMB0.1 million for this segment in 2025 which was attributable to a small number of equipment were accepted during the year.

Our cost of sales from sales of technical services, maintenance and others increased from RMB9.3 million in 2024 to RMB12.7 million in 2025, in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 0.7% from RMB931.5 million in 2024 to RMB924.8 million in 2025. Our gross profit margin remained relatively stable at 46.3% in 2024 and 45.5% in 2025.

Our gross profit margin from sales of laser equipment for photovoltaic cells and modules remained relatively stable at 46.2% in 2024 and 45.4% in 2025.

Our gross profit margin from sales of laser equipment for semiconductor advanced packaging and next-generation display was nil in 2024 as no equipment was accepted and thus no revenue was recognised during the year. We recorded gross profit margin of 65.8% for this segment in 2025 which was atrributable to a small number of equipment were accepted during the year.

Our gross profit margin from sales of technical services, maintenance and others remained relatively stable at 52.0% in 2024 and 53.3% in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 25.7% from RMB20.2 million in 2024 to RMB15.0 million in 2025, primarily due to decrease in marketing department remuneration.

General and Administrative Expenses

Our general and administrative expenses increased by 9.6% from RMB87.9 million in 2024 to RMB96.3 million in 2025, primarily due to (i) an increase in depreciation following the reclassification of construction in progress to property, plant and equipment upon completion and (ii) increased remuneration for management personnel.

Research and Development Expenses

Our research and development expenses decreased by 18.8% from RMB282.6 million in 2024 to RMB229.4 million in 2025, primarily due to (i) a decrease in costs related to the development and testing of R&D prototype and (ii) a decrease in share-based payment which did not vest.

Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss

Our fair value gains on financial assets at fair value through profit or loss decreased from RMB26.0 million in 2024 to RMB11.0 million in 2025, primarily reflecting valuation changes of our equity investments in unlisted companies.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased from RMB93.5 million in 2024 to RMB99.3 million in 2025, primarily due to (i) the deteriorating financial conditions among certain downstream customers in the photovoltaic industry, which experienced a cyclical downturn with a number of listed companies turning from profit to loss, leading to increased credit risk and (ii) an increase in trade receivables.

Other Income

Our other income decreased from RMB164.2 million in 2024 to RMB121.3 million in 2025, primarily due to (i) the decrease in interest rates on deposits and (ii) tax refunds on embedded software.

Other Gains and Losses, Net

Our other gains and losses, net turned from a net loss of RMB4.4 million in 2024 to a net gain of RMB7.0 million in 2025, primarily due to an increase in compensation received for customers' breach of relevant sales contracts.

Finance Costs

Our finance costs increased from RMB39.0 million in 2024 to RMB39.9 million in 2025, primarily due to the annual increase in the amortised cost of convertible bonds, which led to a corresponding increase in interest expenses to be amortised each year.

Share of Results of Associates

Our share of results of associates decreased from a negative result in the amount of RMB0.3 million in 2024 to a negative result in the amount of RMB1.8 million in 2025, reflecting our equity investment in the associates.

Income Tax Expense

Our income tax expense decreased from RMB66.1 million in 2024 to RMB63.2 million in 2025, as a result of our decrease in profit before taxation.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 1.6% from RMB527.6 million in 2024 to RMB519.2 million in 2025.

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

Revenue

Our revenue increased by 25.2% from RMB1,608.9 million in 2023 to RMB2,013.8 million in 2024, primarily driven by the accelerated technological transition within the photovoltaic industry from PERC to N-type cell production, which generated strong demands for new and specialised laser machining equipment.

Our revenue from laser equipment for photovoltaic cells and modules increased from RMB1,367.4 million in 2023 to RMB1,994.5 million in 2024, primarily due to an increase in sales of our TOPCon equipment.

Our revenue from sales of laser equipment for semiconductor advanced packaging and next-generation display was RMB7.8 million in 2023 which was atrributable to a small number of equipment were accepted during the year. We recorded revenue of nil for this segment in 2024 as no equipment was accepted and thus no revenue was recognised during the year.

Our revenue from technical services, maintenance and others decreased from RMB233.7 million in 2023 to RMB19.3 million in 2024, primarily due to the shift in market demand from PERC processing equipment to TOPCon processing equipment, which resulted in a decrease in maintenance demand for PERC cell processing equipment.

Cost of Sales

Our cost of sales increased by 24.0% from RMB872.5 million in 2023 to RMB1,082.3 million in 2024, in line with our revenue growth.

Our cost of sales for laser equipment for photovoltaic cells and modules increased from RMB783.9 million in 2023 to RMB1,073.0 million in 2024, primarily because certain equipment delivered in 2023 was accepted and had the related revenue recognised in 2024, which was correspondingly reflected in cost of sales in 2024.

Our cost of sales of laser equipment for semiconductor advanced packaging and next-generation display was RMB3.4 million in 2023 which was atrributable to a small number of equipment were accepted during the year. We recorded revenue of nil for this segment in 2024 as no equipment was accepted and thus no cost of sales was recognised during the year.

Our cost of sales for technical services, maintenance and others decreased from RMB85.2 million in 2023 to RMB9.3 million in 2024, primarily due to the shift in market demand from PERC processing equipment to TOPCon processing equipment, which resulted in a decrease in demand for PERC cell processing equipment.

Gross Profit and Gross Profit Margin

Our gross profit increased by 26.5% from RMB736.4 million in 2023 to RMB931.5 million in 2024. Our gross profit margin remained relatively stable at 45.8% in 2023 and 46.3% in 2024 primarily due to (i) the shift of our product portfolio towards equipment models with higher gross profit margins, including the increased revenue contribution from sales of TOPCon and BC related equipment (ii) the increased economies of scale arising from higher production volumes and (iii) our continued optimisation of cost control measures in procurement and manufacturing.

Our gross profit margin for laser equipment for photovoltaic cells and modules increased from 42.7% in 2023 to 46.2% in 2024, primarily due to improved performance of our TOPCon equipment and higher customer acceptance of new equipment models, which have higher gross profit margins.

Our gross profit margin for laser equipment for semiconductor advanced packaging and next-generation display was 56.5% in 2023 which was atrributable to a small number of equipment were accepted during the year. We recorded gross profit margin of nil for this segment in 2024 as no equipment was accepted and thus no revenue was recognised during the year.

Our gross profit margin for technical services, maintenance and others decreased from 63.6% in 2023 to 52.0% in 2024, primarily due to a decrease in the proportion of renovation-related services.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 7.4% from RMB18.8 million in 2023 to RMB20.2 million in 2024, primarily due to an increase in business promotion activities in 2024, which led to higher exhibition expenses.

General and Administrative Expenses

Our general and administrative expenses remained relatively stable at RMB88.7 million in 2023 and RMB87.9 million in 2024.

Research and Development Expenses

Our research and development expenses increased by 12.7% from RMB250.7 million in 2023 to RMB282.6 million in 2024, primarily due to (i) an expansion of our R&D team and (ii) an increase in depreciation and amortisation arising from higher capital expenditure in R&D-related equipment.

Fair Value Gains on Financial Assets at Fair Value Through Profit or Loss

Our fair value gains on financial assets at fair value through profit or loss increased from RMB5.4 million in 2023 to RMB26.0 million in 2024, primarily reflecting valuation changes of our equity investments in unlisted companies.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased from RMB19.2 million in 2023 to RMB93.5 million in 2024, primarily due to (i) the deteriorating financial conditions among certain downstream customers in the photovoltaic industry, which experienced a cyclical downturn with a number of listed companies turning from profit to loss, leading to increased credit risk and (ii) an increase in our trade receivables.

Other Income

Our other income decreased from RMB180.4 million in 2023 to RMB164.2 million in 2024, primarily attributable to the reduced other tax refunds, mainly comprising VAT refunds for embedded software.

Other Gains and Losses, Net

Our net other losses increased from RMB0.4 million in 2023 to RMB4.4 million in 2024, primarily due to higher foreign exchange losses arising from the purchase of foreign currencies to settle procurement payments.

Finance Costs

Our finance costs increased from RMB37.2 million in 2023 to RMB39.0 million in 2024, primarily attributable to an increase in interest expense on convertible bonds, reflecting the step-up in coupon rate.

Share of Results of Associates

Our share of results of associates changed from nil in 2023 to a negative result in the amount of RMB0.3 million in 2024, reflecting the negative result of our equity investment in associates.

Income Tax Expense

Our income tax expense increased from RMB45.9 million in 2023 to RMB66.1 million in 2024 as a result of our increased profit before taxation.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 14.4% from RMB461.2 million in 2023 to RMB527.6 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	536,896	620,794	639,510
Total current assets	6,333,090	5,999,982	6,013,524
Total assets	6,869,986	6,620,776	6,653,034
Total non-current liabilities	812,191	844,662	868,894
Total current liabilities	2,985,850	2,311,705	1,865,806
Total liabilities	3,798,041	3,156,367	2,734,700
Net assets	3,071,945	3,464,409	3,918,334

Non-current Assets and Liabilities

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	447,116	497,628	467,247
Right-of-use assets	59,938	56,225	83,775
Intangible assets	15,596	12,852	10,701
Investment in associates	–	6,031	23,144
Contract assets	–	18,003	1,922
Prepayments	5,972	1,335	2,781
Deferred tax assets	8,274	28,720	49,940
Total non-current assets	536,896	620,794	639,510
Non-current liabilities			
Convertible bonds	751,460	778,872	802,124
Lease liabilities	7,480	4,902	3,313
Deferred income	20,360	12,983	12,740
Provisions	32,178	40,059	40,205
Deferred tax liabilities	713	7,846	10,512
Total non-current liabilities	812,191	844,662	868,894

Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) properties and buildings, (ii) leasehold improvement, (iii) machinery and (iv) motor vehicles, (v) office equipment and (vi) construction in progress. Our property, plant and equipment increased from RMB447.1 million as of December 31, 2023 to RMB497.6 million as of December 31, 2024, primarily attributable to an increase in construction in progress arising from the construction of plants, partially offset by (i) depreciation charges and (ii) disposals of certain machinery. Our property, plant and equipment decreased from RMB497.6 million as of December 31, 2024 to RMB467.2 million as of December 31, 2025, primarily due to (i) depreciation charges and (ii) disposals of certain machinery.

Right-of-Use Assets

Our right-of-use assets primarily consist of (i) office premises leased for our operations in Singapore and Israel and (ii) land use rights held by our PRC subsidiaries. Our right-of-use assets decreased from RMB59.9 million as of December 31, 2023 to RMB56.2 million as of December 31, 2024, primarily due to (i) a decrease in right-of-use assets relating to office leases as a result of depreciation and (ii) a decrease in land use rights relating to amortisation. Our right-of-use assets increased from RMB56.2 million as of December 31, 2024 to RMB83.8 million as of December 31, 2025, primarily due to an increase in land use rights, primarily attributable to the acquisition of land use rights, partially offset by a decrease in right-of-use assets relating to office leases as a result of depreciation.

Intangible Assets

Our intangible assets primarily consist of (i) patent rights and (ii) software. Our intangible assets decreased from RMB15.6 million as of December 31, 2023 to RMB12.9 million as of December 31, 2024, and further decreased to RMB10.7 million as of December 31, 2025, primarily due to amortisation charges, partially offset by the software purchases.

Investment in Associates

Our investment in associates represents our investment in associates that are measured using the equity method. Our investment in associates increased from nil as of December 31, 2023 to RMB6.0 million as of December 31, 2024, reflecting our equity investment in relevant associates. Our investment in associates increased from RMB6.0 million as of December 31, 2024 to RMB23.1 million as of December 31, 2025, reflecting our capital contributions and equity investment in relevant associates.

Contract Assets (Non-current)

Our non-current contract assets represent warranty retention receivables due after more than one year. Our non-current contract assets increased from nil as of December 31, 2023 to RMB18.0 million as of December 31, 2024, primarily due to business expansion, leading to an increase in product warranty provisions. Our non-current contract assets decreased from RMB18.0 million as of December 31, 2024 to RMB1.9 million as of December 31, 2025, primarily due to the passage of time, contract assets (non-current) with warranty periods expiring within one year are reclassified to contract assets.

Deferred Tax Assets

Our deferred tax assets represent temporary differences related to (i) assets impairment; (ii) provisions; (iii) deductible tax losses; (iv) deferred income; (v) unrealised gains from intra-group transactions and (vi) differences between accounting depreciation and tax depreciation of property, plant and equipment.

Our deferred tax assets increased from RMB8.3 million as of December 31, 2023 to RMB28.7 million as of December 31, 2024, and further increased to RMB49.9 million as of December 31, 2025, primarily due to an increase in deductible temporary differences arising from assets impairment.

Deferred Income

Our deferred income consists of government grants mainly related to assets. Our deferred income decreased from RMB20.4 million as of December 31, 2023 to RMB13.0 million as of December 31, 2024, and further decreased to RMB12.7 million as of December 31, 2025, primarily due to amortisation of government grants recognised in profit or loss, partially offset by new grants received.

Provisions

Our provisions primarily represent product quality assurance obligations. Our provision increased from RMB32.2 million as of December 31, 2023 to RMB40.1 million as of December 31, 2024, primarily due to an increase in sales volumes leading to increased warranty provisions. Our provisions amounted to RMB40.1 million as of December 31, 2024 and RMB40.2 million as of December 31, 2025.

Current Assets and Liabilities

	As of December 31,			As of February 28,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Inventories	1,917,584	1,722,996	1,569,129	1,636,928
Trade receivables	738,710	895,166	1,085,379	701,582
Notes receivables	489,001	525,847	480,627	1,016,848
Financial assets at fair value through profit or loss	50,264	90,264	591,283	412,595
Contract assets	131,959	148,168	166,637	178,096
Prepayments and other receivables	140,439	130,878	106,057	36,451
Income tax recoverable	29,616	62,222	74,244	78,567
Restricted cash	28,883	61,959	10,164	8,446
Cash and cash equivalents	2,806,634	2,362,482	1,930,004	2,078,484
Total current assets	6,333,090	5,999,982	6,013,524	6,147,997
Current liabilities				
Trade and notes payables	677,165	285,259	185,087	188,064
Other payables and accruals	345,596	262,274	258,551	208,436
Contract liabilities	1,959,642	1,761,351	1,413,036	1,520,419
Income tax payables	738	243	5,799	4,343
Lease liabilities	2,709	2,578	3,333	3,471
Other borrowings	–	–	–	37,360
Total current liabilities	2,985,850	2,311,705	1,865,806	1,962,093

Our net current assets increased from RMB3,347.2 million as of December 31, 2023 to RMB3,688.3 million as of December 31, 2024, primarily due to (i) higher trade and notes receivables attributable to our business expansion and (ii) a decrease in trade and notes payables attributable to payments made in accordance with contractual agreements. Our net current assets increased from RMB3,688.3 million as of December 31, 2024 to RMB4,147.7 million as of December 31, 2025, primarily due to (i) an increase in financial assets at fair value through profit or loss as a result of our purchase of wealth management products; (ii) an increase in trade receivables attributable to prolonged customer settlement cycles; (iii) a decrease in contract liabilities as we continuously recognised revenue upon the completion of equipment acceptance and (iv) a decrease in trade and notes payables in line with our reduced procurement volumes. Our net current assets remained relatively stable at RMB4,147.7 million as of December 31, 2025 and RMB4,185.9 million as of February 28, 2026.

Inventories

Our inventories primarily consist of (i) raw materials, (ii) work in progress, (iii) finished goods and (iv) goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	135,423	175,798	133,711
Work in progress	328,940	253,381	170,122
Finished goods	13,240	3,819	11,540
Goods in transit	1,439,981	1,289,998	1,253,756
Total	1,917,584	1,722,996	1,569,129

Our inventories decreased from RMB1,917.6 million as of December 31, 2023 to RMB1,723.0 million as of December 31, 2024, and further decreased to RMB1,569.1 million as of December 31, 2025, primarily because we strengthened inventory management, which led to a reduction in raw materials and work in progress inventories.

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,730,792	938,991	1,149,282
Over 1 year	186,792	784,005	419,847
Total	1,917,584	1,722,996	1,569,129

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

	As of December 31,		
	2023	**2024**	**2025**
Inventory turnover days	581	614	543

Note:

(1) Inventory turnover days are calculated using the average of the opening and closing inventory balances for the year, divided by the cost of sales for the relevant year and multiplied by the number of days in the period (i.e., 365 days for a financial year).

Our inventory turnover days increased from 581 days as of December 31, 2023 to 614 days as of December 31, 2024, primarily due to an increase in the average inventory level in 2024 compared with 2023. Our inventory turnover days decreased from 614 days as of December 31, 2024 to 543 days as of December 31, 2025, primarily due to a decrease in the average inventory level in 2025 compared with 2024.

As of February 28, 2026, RMB13.7 million, or 0.9% of inventories as of December 31, 2025 had been used, consumed or sold.

Trade Receivables

Our trade receivables represent the amounts due from our customers for the products sold or services performed in the ordinary course of our business. Our trade receivables (net of allowance) are analysed as follows:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	845,478	1,103,313	1,374,677
Less: ECL allowance	(106,768)	(208,147)	(289,298)
	738,710	895,166	1,085,379

Our trade receivables increased from RMB738.7 million as of December 31, 2023 to RMB895.2 million as of December 31, 2024, and further increased to RMB1,085.4 million as of December 31, 2025, primarily due to (i) higher outstanding receivables at the end of 2024 in line with our revenue growth and (ii) longer customer payment cycles attributable to the impact of downstream industries, with a number of customers experiencing cash flow pressures.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	548,106	438,956	584,268
1–2 years	148,636	379,693	348,163
2–3 years	38,105	62,602	130,700
Over 3 years	3,863	13,915	22,248
Total	738,710	895,166	1,085,379

We typically adopt a milestone-based payment arrangement with our customers. We seek to maintain strict control over our outstanding receivables. Our sales and finance team is responsible for minimising credit risks. Considering that we had not experienced any material failure to collect trade receivables from the relevant customers during the Track Record Period, we believe we are able to collect the remaining trade receivables and we have made sufficient provisions for such trade receivables.

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

	As of December 31,		
	2023	**2024**	**2025**
Trade receivables turnover days	139	148	178

Note:

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables for a year divided by revenue for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade receivables turnover days increased from 139 days in 2023 to 148 days in 2024, and further increased to 178 days in 2025, primarily due to the impact of downstream industries, which resulted in longer payment cycles, with certain customers experiencing cash flow pressure.

As of February 28, 2026, RMB113.7 million, representing 10.5% of our trade receivables as of December 31, 2025, had been subsequently settled.

Notes Receivables

Our notes receivables consist of (i) commercial acceptance notes and (ii) bank acceptance notes. Our notes receivables (net of allowance) are analysed as follows:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Commercial acceptance notes	–	34,579	19,815
Less: ECL allowance	–	(4,885)	(11,738)
	–	29,694	8,077
Bank acceptance notes	489,001	496,153	472,550
	489,001	525,847	480,627

Our notes receivables increased from RMB489.0 million as of December 31, 2023 to RMB525.8 million as of December 31, 2024, primarily due to an increase in the amount of payments settled by bank and commercial acceptance notes arising from the expansion of our sales scale. Our notes receivables decreased from RMB525.8 million as of December 31, 2024 to RMB480.6 million as of December 31, 2025, primarily due to our settlement of payables to suppliers through endorsement and transfer of notes.

Prepayments and Other Receivables (Current Portion)

Our current prepayments and other receivables represent (i) deposits, (ii) interest receivables, (iii) other receivables, (iv) prepayments and (v) value-added tax paid and deductible.

The following table sets forth our current prepayments, other receivables and other assets prepayments as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposits	13,967	5,880	4,341
Interest receivables	95,187	86,133	77,726
Other receivables	473	409	563
Prepayments	5,727	10,037	12,608
Value-added tax paid and deductible	26,290	29,207	11,606
	141,644	131,666	106,844
Less: ECL allowance	(1,205)	(788)	(787)
Other borrowings	–	–	37,360
	140,439	130,878	106,057

Our current prepayments and other receivables decreased from RMB140.4 million as of December 31, 2023 to RMB130.9 million as of December 31, 2024, primarily due to (i) the recovery of tender deposits and (ii) a decrease in the number of certificates of deposit we held, partially offset by an increase in receivables for imported optical materials. Our current prepayments and other receivables decreased from RMB130.9 million as of December 31, 2024 to RMB106.1 million as of December 31, 2025, primarily due to (i) a decrease in prepaid VAT, due to an increase in value-added tax invoices issued in 2025; and (ii) a decrease in certificates of deposit, resulting in a corresponding decrease in accrued interest receivables.

Restricted Cash

Our restricted cash consists of (i) bank acceptance bill deposit, (ii) performance guarantee deposit and (iii) rental deposit. Our restricted cash increased from RMB28.9 million as of December 31, 2023 to RMB62.0 million as of December 31, 2024, primarily due to the pledge of certificates of deposit. Our restricted cash decreased from RMB 62.0 million as of December 31, 2024 to RMB10.2 million as of December 31, 2025, primarily due to the maturity of certificates of deposit and the release of the related pledge.

Cash and Cash Equivalents

Our cash and cash equivalents consist of (i) cash and bank balances and (ii) transferable bank deposits. Our cash and cash equivalents decreased from RMB2,806.6 million as of December 31, 2023 to RMB2,362.5 million as of December 31, 2024, primarily due to increased working capital requirements resulting from the expansion of our sales scale. Our cash and cash equivalents decreased from RMB2,362.5 million as of December 31, 2024 to RMB1,930.0 million as of December 31, 2025, primarily due to a decrease in transferable bank deposits, as we reduced holdings of transferable deposit and, upon maturity, redirected funds into structured deposits.

Trade and Notes Payables

Our trade and notes payables consist of (i) trade payables and (ii) notes payables. The following table sets forth our trade and notes payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	608,551	243,097	185,087
Notes payables	68,614	42,162	–
	677,165	285,259	185,087

Our trade and notes payables decreased from RMB677.2 million as of December 31, 2023 to RMB285.3 million as of December 31, 2024, primarily due to (i) payment of outstanding trade payables due and (ii) reduced procurement in 2024. Our trade and notes payables decreased from RMB285.3 million as of December 31, 2024 to RMB185.1 million as of December 31, 2025, primarily due to the settlement of and notes payables that became due in 2024.

The following table sets forth an aging analysis of our trade and notes payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	671,423	278,900	157,331
Over 1 year	5,742	6,359	27,756
Total	677,165	285,259	185,087

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

	As of December 31,		
	2023	**2024**	**2025**
Trade payables turnover days	186	144	71

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by cost of sales used for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade payables turnover days decreased from 186 days as of December 31, 2023 to 144 days as of December 31, 2024, primarily due to our payments made to settle certain large-amount outstanding payables. Our trade payables turnover days decreased from 144 days as of December 31, 2024 to 71 days as of December 31, 2025, primarily because (i) our cost of sales remained relatively stable and (ii) our trade payables decreased as we enhanced the coordination between our procurement and production planning and adopted a more demand-driven procurement approach.

As of February 28, 2026, RMB67.7 million, representing 36.6% of our trade payables as of December 31, 2025, had been subsequently settled. Our Directors confirm that we did not have any material defaults on payments of trade and other payables during the Track Record Period and up to the Latest Practicable Date.

Other Payables and Accruals

Our payables and accruals consist of (i) accrued expenses and other payables, (ii) corporate bond interest payables, (iii) deposit received, (iv) other tax payables, (v) payroll and welfare payables, (vi) temporary receipts and (vii) value-added tax payable and deductible.

The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Accrued expenses and other payables	4,313	3,559	2,955
Corporate bond interest payables	3,391	5,080	8,465
Deposit received	1,141	2,111	2,061
Other tax payables	17,833	13,184	5,355
Payables from the endorsed notes	127,783	48,677	92,374
Payroll and welfare payables	69,006	62,820	58,078
Temporary receipts	4,079	9,203	4,175
Value-added tax payable	118,050	117,640	85,088
	345,596	262,274	258,551

Our other payables and accruals decreased from RMB345.6 million as of December 31, 2023 to RMB262.3 million as of December 31, 2024 primarily due to a decrease in endorsed bills that had not been derecognised. Our other payables and accruals remained relatively stable at RMB262.3 million as of December 31, 2024 and RMB258.6 million as of December 31, 2025.

Contract Liabilities

Our contract liabilities represent advance payments received from customers for which performance obligations have not yet been satisfied. Our contract liabilities decreased from RMB1,959.6 million as of December 31, 2023 to RMB1,761.4 million as of December 31, 2024, and further decreased to RMB1,413.0 million as of December 31, 2025, primarily due to the ongoing recognition of advance payments as revenue upon equipment acceptance.

As of February 28, 2026, RMB17.3 million, or 1.2% of our contract liabilities as of December 31, 2025 had been subsequently recognised as revenue.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations, debt financing, and equity financings. During the Track Record Period and up to the Latest Practicable Date, we relied on cash and cash equivalents and cash generated from business operations as the major sources of liquidity. We intend to finance our future capital requirements in the same manner after the **[REDACTED]**. We do not anticipate any material changes to the availability of financing to fund our operations in the future.

As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB2,806.6 million, RMB2,362.5 million and RMB1,930.0 million, respectively. Our Directors are of the opinion that, taking into account the **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, we have sufficient working capital for our present requirements, that is for at least 12 months from the date of this document. Our Directors confirm that there were no defaults on our outstanding indebtedness, trade payables and non-trade payables during the Track Record Period and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

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

	As of/for the year ended December 31,		
	2023	**2024**	**2025**
Gross profit margin (%)(1)	45.8	46.3	45.5
Net profit margin (%)(2)	28.7	26.2	25.6
Gearing ratio (%)(3)	24.8	22.7	20.6
Current ratio (%)(4)	212.1	259.5	322.3

Note:

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Net profit margin equals net profit divided by revenue for the year and multiplied by 100%.

(3) Gearing ratio equals total interest-bearing debt (including interest-bearing bank and other borrowings, lease liabilities and redemption liabilities) divided by total equity.

(4) Current ratio equals total current assets divided by total current liabilities.

Cash Flows

The following table sets forth our cash flows for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from/(used in) operating activities	724,384	(200,592)	111,239
Net cash used in investing activities	(146,159)	(86,858)	(473,658)
Net cash used in financing activities	(88,553)	(156,843)	(71,185)
Net increase/(decrease) in cash and cash equivalents	489,672	(444,293)	(433,604)
Cash and cash equivalents at the beginning of the year	2,315,397	2,806,634	2,362,482
Effect of foreign exchange rate changes	1,565	141	1,126
Cash and cash equivalents at the end of the year	2,806,634	2,362,482	1,930,004

Net Cash Generated from/(Used in) Operating Activities

In 2023, net cash generated from operating activities was RMB724.4 million, primarily reflecting profit before income tax of RMB507.1 million, adjusted for increase in contract liabilities for RMB1,234.7 million, increase in inventories of RMB1,078.7 million, increase in trade and notes payables of RMB373.2 million, increase in trade receivables of RMB266.9 million and increase in notes receivables of RMB105.7 million.

In 2024, net cash generated from operating activities turned from an inflow of RMB724.4 million in 2023 to an outflow of RMB200.6 million in 2024, primarily reflecting profit before income tax of RMB593.7 million, adjusted for operating profit before working capital changes of RMB720.0 million, decrease in trade and notes payables of RMB378.7 million, increase in trade receivables of RMB242.5 million, decrease in contract liabilities of RMB198.3 million, decrease in inventories of RMB175.4 million and income taxes paid of RMB112.5 million.

In 2025, net cash generated from operating activities amounted to RMB111.2 million, primarily reflecting profit before income tax of RMB582.5 million, decrease in contract liabilities of RMB336.3 million, increase in trade receivables of RMB281.4 million, cash generated from operations of RMB199.5 million, decrease in inventories of RMB130.9 million and decrease in trade and notes payables of RMB93.0 million.

Net Cash Used in Investing Activities

In 2023, net cash used in investing activities was RMB146.2 million, primarily reflecting placement of restricted deposits of RMB150.5 million and purchases of property, plant and equipment of RMB93.3 million, partially offset by withdrawal of restricted deposits of RMB129.3 million and interest received of RMB25.1 million.

In 2024, net cash used in investing activities was RMB86.9 million, primarily reflecting purchases of property, plant and equipment of RMB120.3 million and placement of restricted deposits of RMB162.1 million, partially offset by withdrawal of restricted deposits of RMB129.0 million and interest received of RMB87.1 million.

In 2025, net cash used in investing activities was RMB473.7 million, primarily reflecting purchases of financial assets at fair value through profit or loss of RMB1,840.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB1,350.0 million.

Net Cash Used in Financing Activities

In 2023, net cash used in financing activities was RMB88.6 million, primarily reflecting dividend paid of RMB80.2 million.

In 2024, net cash used in financing activities was RMB156.8 million, primarily reflecting dividend paid of RMB95.2 million and purchase of treasury shares of RMB50.0 million.

In 2025, net cash used in financing activities was RMB71.2 million, primarily reflecting dividend paid of RMB106.3 million.

Working Capital Confirmation

Our Directors confirm that we had no material default in payment of trade and non-trade payables and borrowings during the Track Record Period and up to the date of this document.

Taking into account the financial resources available to us, including our cash and cash equivalents, our available banking facilities, and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this document.

INDEBTEDNESS

As of February 28, 2026, being the Indebtedness Date for the purpose of the indebtedness statement, we had total indebtedness of RMB848.5 million, including other borrowing, convertible bonds and lease liabilities.

	As of December 31,			As of February 28,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Convertible Bonds	751,460	778,872	802,124	804,980
Lease liabilities	10,189	7,480	6,646	6,128
Other borrowings	–	–	–	37,360
Total	761,649	786,352	808,770	848,468

Our Directors confirmed that we had neither experienced any difficulties in obtaining or repaying, debt financing nor breached any major covenant or restriction of our indebtedness, during the Track Record Period. As of the Latest Practicable Date, there were no material covenants related to our outstanding debt that would materially limit our ability to undertake additional debt or equity financing. Our Directors confirmed that there has not been any material change in our indebtedness or contingent liabilities since December 31, 2025 and up to the Latest Practicable Date. Our Directors confirmed that as of the Latest Practicable Date, we did not have any bank overdrafts, hire purchase commitments, or other similar indebtedness, and we did not have any immediate plan for additional material external debt financing.

Convertible Bonds

We had convertible bonds amounted to RMB751.5 million, RMB778.9 million and RMB802.1 million for the years ended December 31, 2023, 2024 and 2025, respectively, reflecting a low conversion rate by bondholders.

Lease Liabilities

Our lease liabilities decreased from RMB10.2 million as of December 31, 2023 to RMB7.5 million as of December 31, 2024, and further decreased to RMB6.6 million as of December 31, 2025, primarily due to the gradual settlement of lease payments for our leased facilities in accordance with the respective lease agreements.

As of February 28, 2026, we had lease liabilities of RMB3.4 million and RMB2.7 million shown under current liabilities and non-current liabilities, respectively.

Other Borrowings

In January 2026, we entered into a recourse factoring arrangement in respect of our trade receivables in the amount of RMB37.4 million.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities. Our Directors confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitments of RMB66.7 million, RMB12.3 million and RMB13.7 million. Our Directors confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our capital commitments.

CAPITAL EXPENDITURES

Our capital expenditures paid in 2023, 2024 and 2025 were of RMB115.1 million, RMB120.6 million and RMB79.4 million, respectively. Our principal capital expenditures primarily relate to cash generated from operating activities and financing activities.

We intend to fund our existing and future capital expenditures with our cash from operating activities. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, our financial condition and results of operations, our business plans, market conditions and various other factors. See also "Future Plans and **[REDACTED]**."

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, aside from our capital commitments as disclosed above, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into a number of related party transactions in relation to sales of complete machines, spare parts and modules among subsidiaries within the Group. Save as the related party transactions as set out in Note 38 of the Accountants' Report in Appendix I to this document, we have not entered into any other transactions with our related parties.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis, primarily because (i) our management reviewed terms of the agreements with related parties and compared the prices and terms with industry average and market practice; (ii) the products and services in our transactions with related parties are relatively common in the market and under sufficient competition, with abundant public information for our reference.

FINANCIAL RISK/MARKET RISK DISCLOSURES

We are exposed to a variety of financial risks, including credit risk and liquidity risk and interest rate risk. See Note 41 to the Accountants' Report included in Appendix I to this Document for further details regarding these risks.

Foreign Currency Risk

We have transactional currency exposures arising from sales or purchases by subsidiaries in currencies other than their functional currencies. In addition, we have currency exposures mainly from our cash and cash equivalents, trade receivables, contract assets and trade and other payables. The major foreign currency giving rise to this risk is primarily United States dollars ("**USD**"). As of December 31, 2025, for various USD financial assets and liabilities, if the RMB appreciates or depreciates by 5% against the USD and other factors remain unchanged, Our profit before income tax will increase or decrease by RMB3,594 thousand.

Interest Rate Risk

Our bank balances and structured deposits expose us to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. Our large transferable bank deposits and issued convertible bonds are at fixed interest rates and expose to fair value interest rate risk. We consider our exposure to interest rate risk in respect of bank balances, structured deposits, large transferable bank deposits and issued convertible bonds is not significant.

Credit Risk

We establish relevant policies to control credit risk exposure. We assess customers' creditworthiness based on their financial conditions, the possibility of obtaining guarantees from third parties, credit history and other factors such as current market conditions, and set corresponding credit terms. We regularly monitor customers' credit records. For customers with poor credit records, we may use written reminders, shorten credit terms or cancel credit terms to ensure that the overall credit risk remains within a controllable range.

The major financial instruments exposed to credit risk are trade and other receivables, commercial acceptance notes from notes receivables and contract assets. Our large transferable bank deposit and bank acceptance notes are mainly related to state-owned banks and other large and medium-sized listed banks with good reputations and high credit ratings. We believe that there is no significant credit risk and that it is unlikely to incur substantial losses due to bank defaults.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 1 year past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other financial assets at amortised cost, including notes receivables, other receivables and contract assets, we make periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences and available forward-looking information.

We apply the general approach in calculating ECLs, where we consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, we compare the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. In addition, we consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

If the credit risk of the asset is in line with original expectations, we categorise the asset as performing and recognised 12 month expected credit losses (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorised as underperforming or non-performing and lifetime expected credit losses are recognised (Stages 2 and 3).

As of December 31, 2023, 2024 and 2025, except for other receivables of RMB nil, RMB nil and RMB nil were classified as Stage 3, other financial assets at amortised cost were classified as Stage 1. There is no change in stage during the Track Record Period.

Liquidity Risk

Our management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. Further quantitative data in respect of our exposure to liquidity risk arising are disclosed in Note 41 to the Accountants' Report included in Appendix I to this Document.

DIVIDENDS

As of the Latest Practicable Date, we did not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions and other factors which our Directors consider relevant. As advised by our PRC Legal Adviser, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

WORKING CAPITAL CONFIRMATION

Our Directors confirm that we had no material default in payment of trade and non-trade payables and borrowings during the Track Record Period and up to the date of this document.

Taking into account the financial resources available to us, including our cash and cash equivalents, our available banking facilities, and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our distributable reserves amounted to RMB2,581.0 million.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We expect to incur **[REDACTED]** of approximately **[REDACTED]**, representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** (based on the mid-point of the indicative **[REDACTED]** range and assuming the **[REDACTED]** is not exercised). The **[REDACTED]** we incurred in the Track Record Period and expect to incur would consist of approximately **[REDACTED]**-related fees and approximately **[REDACTED]**-related fees (including fees and expenses of legal advisors and the reporting accountant of approximately **[REDACTED]** and other fees and expenses of approximately **[REDACTED]**). Among the total **[REDACTED]** which we expect to incur, approximately **[REDACTED]** will be directly attributable to the **[REDACTED]** of our Shares which will be deducted from equity, and the remaining **[REDACTED]** will be expensed **[REDACTED]**.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details on unaudited **[REDACTED]** statement of adjusted net tangible assets, please refer to the section headed "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the Latest Practicable Date, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in the Accountants' Report set out in Appendix I to this document, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.