The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with the IFRSs.

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 "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 the years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. In addition, the following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments, Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them, and all monetary amounts and percentages shown are approximate amounts only.

OVERVIEW

We are a full-chain digital printing solutions provider, primarily offering printing control system, printing machines and consumables and printing software and services. Our solutions assist personalized production and intelligent automation and connect key facets of the value chain, covering design, production, distribution and fulfillment.

We achieved continued growth during the Track Record Period. Our total revenue grew by 32.2% from RMB332.1 million in 2023 to RMB439.0 million in 2024. Our total revenue grew by 36.0% from RMB439.0 million in 2024 to RMB596.9 million in 2025. In particular, our revenue from printing control system was RMB262.7 million, RMB320.6 million and RMB379.4 million in 2023, 2024 and 2025, representing 79.1%, 73.0% and 63.6% of our total revenue for the corresponding years, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been and will continue to be affected by a number of factors, which primarily include the following:

Our Investment in R&D

R&D is the cornerstone of our growth and competitive advantage, enabling us to meet evolving customer needs with advanced technologies and production techniques. Our comprehensive R&D system is built on a core of independent research, guided by our R&D project establishment management system (研發項目立項管理制度). Throughout the Track Record Period, we enhanced our R&D control procedures, increasing process standardization and continuously improving our methodologies and workflows.

While we expect R&D expenses to remain significant as we continue to pursue product enhancements and new product development, we aim to manage these expenses at a reasonable level through a prudent budgeting process. In 2023, 2024 and 2025, our R&D expenses were RMB54.4 million, RMB74.4 million and RMB104.1 million, respectively, representing 16.4%, 17.0% and 17.4% of our total revenue for the corresponding years. Our ability to balance investment in R&D with control over operating expenses affects our results of operations.

Our Product Mix

Our financial performance is affected by the structure and effectiveness of our product mix. Our Group derives revenue primarily from printing control system, printing machines and consumables and printing software and services. Each category varies considerably in terms of market size, average selling price, cost composition, gross margin, production lead time and working capital needs. Shifts in the revenue contribution from each category directly influence our overall revenue growth, profitability and financial performance. The pricing of our products and solutions is determined by multiple factors, such as procurement and manufacturing expenses, product functionality, technological sophistication, market demand, supply chain dynamics and desired profit margins. Products offering higher precision, higher operational speeds, enhanced reliability or more advanced technological features generally achieve higher selling prices. These products often support higher margins, provided that the incremental costs do not outweigh the price premium, as they address more complex customer applications and provide increased value.

Our overall gross profit margin is subject to variation based on shifts in our product mix, as individual product lines contribute differing margins influenced by factors such as market size, pricing dynamics, cost composition and production complexity. For instance, our printing control system, being our largest segment, consistently yielded higher gross margins, recording 60.5%, 62.9% and 63.0% in 2023, 2024 and 2025. As a result of the foregoing, we consistently maintained high level of gross profit margin during the Track Record Period. Moving forward, we continue to prioritize a balanced product portfolio with strategic emphasis on high-margin segments. By aligning our offerings with evolving customer needs and capitalizing on our technological strengths, we seek to sustain stable profitability and foster long-term growth.

Our Ability to Manage Costs and Expenses and Improve Operational Efficiency

Our results of operations depend on our ability to manage costs and expenses effectively. Our cost of sales is primarily attributable to direct material costs, which are influenced by supplier reliability, production capacity, logistics conditions and broader market volatility. Direct material costs accounted for 79.9%, 77.3% and 77.0% of our total cost of sales in 2023, 2024 and 2025, respectively. To control costs, we implement strict supplier qualification protocols, particularly for chips, and maintain long-term partnerships with a select group of certified suppliers. Our ability to manage operating expenses also affects profitability.

Our selling expenses amounted to RMB9.3 million, RMB13.2 million and RMB24.5 million in 2023, 2024 and 2025, respectively, and our administrative expenses amounted to RMB27.0 million, RMB38.5 million and RMB54.0 million in 2023, 2024 and 2025 for the same periods. As our business scales, we expect these expenses to increase in absolute terms but decline as a percentage of revenue due to economies of scale and improved operational efficiency. We have also enhanced expense management through detailed budgeting and performance monitoring to support effective overhead control and long-term profitability.

Maintaining and Expanding Client Base and Collaborations

The business prospects for our POD solutions business largely depend on our ability to maintain existing and expand new client base. We generate revenue primarily from the sale of our printing control system, printing machines and consumables and printing software and services, and our business growth depends on expanding our customer base while deepening cooperation with leading industry players. Customer retention is a top priority, achieved through our commitment to timely support and the ongoing development of our products and services. To ensure maximum satisfaction, we have localized service teams strategically placed to provide direct support and foster long-term collaboration.

Our customer acquisition strategy runs parallel to our retention efforts. To attract new business, we are launching products tailored to evolving demands in the POD sector. Capitalizing on our core competencies in technology, quality, and service, we are well-equipped to grow our customer base, increase market share and elevate our profile. We intend to forge stronger alliances with key industry players, offering bespoke solutions to meet specialized market requirements.

Our ability to maintain and grow our customer base directly affects the volume of customer orders and overall sales, which in turn drives our revenue growth. Sustained customer engagement also helps us better understand our customers' future plans, including their production cycles, technology upgrades and procurement needs. We leverage this knowledge to strategically plan our operations — from production and inventory management to R&D — ensuring we can deliver on time, control costs, and develop products that resonate with the market. Ultimately, a strong customer base is the key to both increasing revenue and enhancing operational efficiency and reliability.

Any significant change to our relationship with customers could have a material adverse impact on our results of operations. For more details, see "Risk Factors — Risks Relating to Our Business and Our Industry — Our success depends on our strong and stable relationships with certain customers. If we fail to diversify our customer base, or if any disruption occurs in our relationships with these customers, our business, financial condition and results of operations could be adversely affected".

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with IFRS. For more details on the accounting policies that have been applied, see note 3 to the Accountants' Report in Appendix I to this document.

MATERIAL ACCOUNTING POLICY INFORMATION

Our consolidated financial information has been prepared in accordance with IFRS. The financial information is presented in RMB, which is the same as our Company's functional currency and all values are rounded to the nearest thousand unless otherwise indicated. Our most critical accounting policies, judgments and estimates are summarized below. For more details on the description of our material accounting policy information, as well as critical accounting judgments and estimates, see notes 3 and 4 to the Accountants' Report in Appendix I to this document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table summarizes our Company's consolidated statements of profit or loss and other comprehensive income for the years indicated, details of which are set out in the Accountants' Report in Appendix I to this document.

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	332,062	438,957	596,909
Cost of sales	(143,242)	(195,076)	(271,630)
Gross profit	**188,820**	**243,881**	**325,279**
Other income, expenses, gains and losses, net	21,743	33,825	27,529
Reversal of impairment loss (impairment loss) under expected credit loss ("**ECL**") model, net	4,260	(756)	(2,356)
Selling expenses	(9,326)	(13,173)	(24,516)
Administrative expenses	(27,038)	(38,492)	(54,016)
Research and development expenses	(54,440)	(74,418)	(104,113)
Finance costs	(444)	(698)	(5,410)
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]
Share of result of associate	–	–	(358)
Profit before tax	123,575	148,298	149,410
Income tax expense	(10,878)	(8,485)	(7,133)
Profit for the year	**112,697**	**139,813**	**142,277**
Other comprehensive income/(expense) for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	12	70	(214)
Total comprehensive income for the year	**112,709**	**139,883**	**142,063**
Profit/(loss) for the year attributable to:			
Owners of the Company	112,776	139,813	135,157
Non-controlling interests	(79)	–	7,120
	112,697	**139,813**	**142,277**
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company	112,788	139,883	134,943
Non-controlling interests	(79)	–	7,120
	112,709	**139,883**	**142,063**

Non-IFRS Measure

To supplement our consolidated financial statements of profit or loss and other comprehensive income, which are presented in accordance with IFRS, we also use adjusted profit for the year (non-IFRS measure) as an additional financial measure. We believe that this non-IFRS measure provides additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has material limitations as an analytical tool, and you should not view it in isolation or as a substitute for our profit for the year or any other operating performance measure that is calculated in accordance with IFRS.

We define adjusted net profit (non-IFRS measure) as profit excluding the effects of [**REDACTED**] with respect to the [**REDACTED**]. The following table reconciles our adjusted profit for the year (non-IFRS measure) against profit for the year presented in accordance with IFRS, which is profit from our continuing operations:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	**112,697**	**139,813**	**142,277**
Add:			
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted profit for the year (non-IFRS measure)	112,697	141,684	154,906

Our adjusted net profit (non-IFRS measure) increased from RMB112.7 million in 2023 to RMB141.7 million in 2024, primarily due to an increase in our overall gross profit. Our net profit increased from RMB141.7 million in 2024 to RMB154.9 million in 2025, primarily due to an increase in our overall gross profit, partially offset by an increase in our selling expenses, administrative expenses, research and development expenses and [**REDACTED**].

DESCRIPTION OF SELECTED ITEMS IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

(a) Revenue by business segment

During the Track Record Period, we generated revenue from three segments: (i) printing control system, (ii) printing machines and consumables, and (iii) printing software and services. The following table sets forth the breakdown of our revenue by business segment for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Printing control system	262,729	79.1	320,614	73.0	379,392	63.6
Printing machines and consumables	59,561	17.9	104,402	23.8	187,140	31.4
Printing software and services	9,772	3.0	13,941	3.2	30,377	5.0
Total	**332,062**	**100.0**	**438,957**	**100.0**	**596,909**	**100.0**

Our revenue from printing control system was RMB262.7 million, RMB320.6 million and RMB379.4 million in 2023, 2024 and 2025, representing 79.1%, 73.0% and 63.6% for the corresponding years, respectively. Our revenue from printing machines and consumables was RMB59.6 million, RMB104.4 million and RMB187.1 million in 2023, 2024 and 2025, representing 17.9%, 23.8% and 31.4% for the corresponding years, respectively. Our revenue from printing software and services was RMB9.8 million, RMB13.9 million and RMB30.4 million in 2023, 2024 and 2025, representing 3.0%, 3.2% and 5.0% for the corresponding years, respectively.

(b) Revenue by geographical location

The following below sets forth the breakdown of our revenue by geographical location for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue from sales*	*RMB'000*	*% of revenue from sales*	*RMB'000*	*% of revenue from sales*
Chinese Mainland	283,169	85.3	379,996	86.6	503,480	84.3
Japan	45,940	13.8	53,697	12.2	60,923	10.2
Others*(Note)*	2,953	0.9	5,264	1.2	32,506	5.5
Total	**332,062**	**100.0**	**438,957**	**100.0**	**596,909**	**100.0**

Note:

(1) Others revenue, based on customers' locations, primarily includes HKSAR and the United States.

We recorded revenue from Chinese Mainland, Japan and other locations. During the Track Record Period, the proportion of revenue from Japan and other locations increased, primarily driven by our acquisition of Shanghai Celludye on August 31, 2025 and the consolidation of its financial results for the four months ended December 31, 2025.

Cost of Sales

The following table sets forth the breakdown of our cost of sales by nature for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct materials	114,492	79.9	150,750	77.3	209,191	77.0
Direct labor	17,315	12.1	30,219	15.5	32,147	11.8
Processing fees	7,666	5.4	9,057	4.6	17,158	6.3
Manufacturing overheads	3,272	2.3	4,558	2.3	10,800	4.0
Freight costs	497	0.3	492	0.3	2,334	0.9
Total	**143,242**	**100.0**	**195,076**	**100.0**	**271,630**	**100.0**

During the Track Record Period, our cost of sales comprised (i) direct materials costs, (ii) direct labor costs, (iii) processing fees, (iv) manufacturing overheads, (v) freight costs, and (vi) others. Our cost of sales amounted to RMB143.2 million, RMB195.1 million and RMB271.6 million in 2023, 2024 and 2025, respectively.

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Printing control system	103,784	72.5	119,041	61.0	140,434	51.7
Printing machines and consumables	33,966	23.7	69,355	35.6	118,269	43.5
Printing software and services	5,492	3.8	6,680	3.4	12,927	4.8
Total	**143,242**	**100.0**	**195,076**	**100.0**	**271,630**	**100.0**

Gross Profit and Gross Profit Margin

(a) Gross profit and gross profit margin by business segment

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

	For the 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*	*%*
Printing control system	158,945	60.5	201,573	62.9	238,958	63.0
Printing machines and consumables	25,595	43.0	35,047	33.6	68,871	36.8
Printing software and services	4,280	43.8	7,261	52.1	17,450	57.4
Total	**188,820**	**56.9**	**243,881**	**55.6**	**325,279**	**54.5**

For the years ended December 31, 2023, 2024 and 2025, we experienced an overall growth in gross profit and recorded gross profit of RMB188.8 million, RMB243.9 million and RMB325.3 million, corresponding to gross profit margin of 56.9%, 55.6% and 54.5%, respectively.

The revenue growth of the printing control system segment during the Track Record Period was primarily driven by increased customer demand, supported by the overall expansion of the market environment for printing control systems, according to Frost & Sullivan. Additionally, the increase in our sales volume and substantial investments in printing control systems further fueled this growth. Our Group's ability to deliver integrated solutions combining printing control boards and software, which are sold as an interdependent system essential for the operation of printing equipment. This integration enhances the operational efficiency and reliability of customers' printing equipment. Over half of the revenue in the printing control system segment comes from software, which entails low direct cost of sales, contributing to the segment's relatively high gross profit margin compared to other business segments. Furthermore, our Group's R&D investments have differentiated our offerings and sustained profitability.

(b) Gross profit and gross profit margin by geographical location

The following table sets forth a breakdown of gross profit and gross profit margin by geographical location for the years indicated:

	For the 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*	*%*
Chinese Mainland	167,925	59.3	219,938	57.9	283,165	56.2
Japan	19,161	41.7	20,674	38.5	29,791	48.9
Others[(Note)]	1,734	58.7	3,269	62.1	12,323	37.9
Total	**188,820**	**56.9**	**243,881**	**55.6**	**325,279**	**54.5**

Note:

(1) Others revenue, based on customers' locations, primarily includes HKSAR and the United States.

Other Income, Expenses, Gains and Losses, Net

The following table sets forth the breakdown of our other income and other expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants	18,329	92.9	28,150	86.7	20,746	76.2
Interest income from bank deposits	2,206	11.2	4,958	15.3	7,058	25.9
Others	(795)	(4.1)	(624)	(2.0)	(570)	(2.1)
Total	**19,740**	**100.0**	**32,484**	**100.0**	**27,234**	**100.0**

Our other income mainly consists of (i) government grants mainly in relation to the subsidies received from local governments in the PRC, (ii) interest income from bank deposits, and (iii) others. For the years ended December 31, 2023, 2024 and 2025, we recorded net other income of RMB19.7 million, RMB32.5 million and RMB27.2 million, respectively.

Government grants mainly represent subsidies and other incentives in the form of tax refunds provided by PRC local governments under prevailing supportive policies, primarily for research and development investment and technological upgrades. During the Track Record Period, there were no unfulfilled conditions related to these government grants. Such grants are subject to annual policy adjustments, administrative assessments and project acceptance procedures.

The following table sets forth the breakdown of our other gains and losses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Gain/(loss) on disposal of property, plant and equipment	6	0.3	196	14.6	(73)	(24.8)
Fair value gain on changes in fair value of financial assets at FVTPL	1,826	91.2	703	52.4	1,150	389.8
Net foreign exchange gain/(loss)	223	11.1	622	46.4	(90)	(30.5)
Others	(52)	(2.6)	(180)	(13.4)	(692)	(234.5)
Total	**2,003**	**100.0**	**1,341**	**100.0**	**295**	**100.0**

Our other gains and losses mainly consists of (i) gain and loss on disposal of property, plant and equipment, (ii) fair value gain on changes in fair value of financial assets at FVTPL, (iii) net foreign exchange gain, and (iv) others. For the years ended December 31, 2023, 2024 and 2025, we recorded net other gains of RMB2.0 million, RMB1.3 million and RMB0.3 million, respectively.

Impairment Losses under ECL Model, Net of Reversal

During the Track Record Period, our impairment losses under ECL model, net of reversal, were mainly allowance for expected credit losses of trade receivables, other receivables, contract assets and amounts due from related parties. During the Track Record Period, we recorded net reversal of impairment losses of RMB4.3 million, net impairment losses of RMB0.8 million and RMB2.4 million for the years end December 31, 2023, 2024 and 2025, respectively.

Selling Expenses

Our selling expenses consist primarily of (i) staff costs, (ii) travel expenses, (iii) marketing expenses, (iv) depreciation and amortization expenses, and (v) others. The following table sets forth a breakdown of our selling expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	6,294	67.5	8,815	66.9	14,653	59.8
Depreciation and amortization expenses	504	5.4	730	5.5	4,339	17.7
Marketing expenses	1,131	12.1	1,422	10.8	2,307	9.4
Travel expenses	664	7.1	857	6.5	1,879	7.7
Others	733	7.9	1,349	10.3	1,338	5.4
Total	**9,326**	**100.0**	**13,173**	**100.0**	**24,516**	**100.0**

Administrative Expenses

Our administrative expenses consist primarily of (i) staff costs, (ii) consulting service fees, (iii) depreciation and amortization expenses, (iv) utilities and property management expenses, (v) office expenses, (vi) travel expenses, (vii) intellectual property service fees, and (viii) others. The following table sets forth a breakdown of our administrative expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	17,215	63.7	21,302	55.3	31,176	57.7
Depreciation and amortization	2,897	10.7	4,107	10.7	9,187	17.0
Consulting service fees	2,344	8.7	5,705	14.8	3,668	6.8
Travel expenses	564	2.1	1,115	2.9	1,535	2.8
Utilities and property management fees	629	2.3	627	1.6	1,320	2.4
Office expenses	572	2.1	794	2.1	1,262	2.3
Intellectual property service fees	628	2.3	803	2.1	869	1.6
Others	2,189	8.1	4,039	10.5	4,999	9.4
Total	**27,038**	**100.0**	**38,492**	**100.0**	**54,016**	**100.0**

Research and Development Expenses

Our research and development costs mainly comprise of (i) staff costs, (ii) depreciation and amortization expenses, (iii) direct inputs, (iv) patent service fees, (v) office expenses, and (vi) others. The following table sets forth a breakdown of our research and development expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	45,834	84.2	63,297	85.1	87,725	84.3
Depreciation and amortization	2,626	4.8	3,251	4.4	4,102	3.9
Direct inputs	1,502	2.8	1,607	2.2	3,504	3.4
Patent service fees	925	1.7	809	1.1	2,433	2.3
Office expenses	1,421	2.6	2,073	2.8	1,256	1.2
Others	2,132	3.9	3,381	4.4	5,093	4.9
Total	**54,440**	**100.0**	**74,418**	**100.0**	**104,113**	**100.0**

Our research and development costs were RMB54.4 million, RMB74.4 million and RMB104.1 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs mainly represented interest expenses on bank borrowings and lease liabilities and other interest expenses. We recorded finance costs of RMB0.4 million, RMB0.7 million and RMB5.4 million for the years ended December 31, 2023, 2024 and 2025, respectively.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest on bank borrowings	78	17.6	160	22.9	1,764	32.6
Interest on lease liabilities	366	82.4	538	77.1	947	17.5
Put option written to a non-controlling interest	–	–	–	–	2,699	49.9
Total	**444**	**100.0**	**698**	**100.0**	**5,410**	**100.0**

Share of Results of an Associate

Our share of results of associates relate to our investments in an associate company, Xi'an Degaojingdian Digital Technology Co., Ltd, which is primarily engaged in manufacture of printing equipment. For details, see note 18 to the Accountants' Report in Appendix I to this document. We recorded share of loss of an associate in the amount of RMB0.4 million in 2025. The movement of share of losses or profits of an associates during the Track Record Period was primarily attributed to the business performance and financial results of our associate company.

Income Tax

(i) Hong Kong profits tax

Our subsidiary, Hosonsoft Co., Limited, is established in Hong Kong, the first HK$2 million of profits of which is subject to a tax rate of 8.25% and the profits above HK$2 million is subject to a tax rate of 16.5%, under the two-tiered profits tax rates regime of Hong Kong Profits Tax.

(ii) PRC corporate income tax

During the Track Record Period, we were subject to a statutory rate of 25% determined in accordance with the PRC Enterprise Income Tax Law except for the preferential tax rates mentioned below.

Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise ("**HNTE**") is entitled to a preferential tax rate of 15% provided that it continues to meet HNTE qualification standards on an annual basis. The Company qualified as an HNTE and is entitled for a preferential tax rate of 15% from 2021 to 2027. Dongguan iMaxcan qualified as an HNTE and is entitled for a preferential tax rate of 15% from 2022 to 2025. Hubei Celludye qualified as an HNTE and is entitled for a preferential tax rate of 15% from 2023 to 2026.

Our income tax expense amounted to RMB10.9 million, RMB8.5 million and RMB7.1 million for the years ended December 31, 2023, 2024 and 2025, respectively. For details, see note 9 to the Accountants' Report in Appendix I to this document. During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

(a) Revenue by business segment

Our total revenue increased by 36.0% from RMB439.0 million in 2024 to RMB596.9 million in 2025, mainly due to the following changes:

(i) Our revenue from printing control system increased by 18.3% from RMB320.6 million in 2024 to RMB379.4 million in 2025, primarily attributable to an increase in sales volume from approximately 93,000 units during 2024 to approximately 116,000 units during 2025, driven by the stronger demand by downstream POD merchandise factories. According to Frost & Sullivan, in terms of revenue, the global printing control systems market grew from approximately USD795.0 million in 2024 to an estimated USD875.0 million in 2025. This market growth fueled the demand for printing control systems, contributing to the increase in our sales revenue;

(ii) Our revenue from printing machines and consumables increased by 79.2% from RMB104.4 million in 2024 to RMB187.1 million in 2025, primarily attributable to increased revenue following our acquisition of Shanghai Celludye on August 31, 2025 and the consolidation of its financial results for the four months ended 31 December 2025; and

(iii) Our revenue from printing software and services increased by 117.9% from RMB13.9 million in 2024 to RMB30.4 million in 2025, primarily driven by the expansion of our overseas RIIN Galaxy SaaS services and increased revenue from our RIP software solutions. In 2025, on a year-on-year basis, revenue from our SaaS services increased by 291.7% and revenue from our RIP software solutions increased by 43.7%.

(b) Revenue by geographical location

Chinese Mainland

Revenue recognized from sales to customers in the Chinese Mainland increased by approximately RMB123.5 million, or 32.5%, from approximately RMB380.0 million in 2024 to RMB503.5 million in 2025. This growth was primarily driven by increased customer demand in the Chinese Mainland market. According to Frost & Sullivan, the market size in China for the digital printing solutions industry has maintained robust growth, expanding from approximately USD7.6 billion in 2024 to an estimated USD8.5 billion in 2025. The growth in sales volume and revenue in the Chinese Mainland was also supported by our enhanced market reputation.

Japan and others

Revenue recognized from sales to customers in Japan and other locations increased from approximately RMB59.0 million in 2024 to RMB93.4 million in 2025. Among this, revenue from sales to customers in Japan increased by approximately 13.5%, and revenue from sales to customers in other locations increased by RMB27.2 million, both primarily driven by our acquisition of Shanghai Celludye on August 31, 2025 and the consolidation of its financial results for the four months ended December 31, 2025.

Cost of sales

Our cost of sales increased by 39.2% from RMB195.1 million in 2024 to RMB271.6 million in 2025, primarily attributable to our revenue growth and the acquisition of Shanghai Celludye, which was completed on August 31, 2025 and its financial results were consolidated into our financial statements for the four months ended December 31, 2025. During the same period, our direct material costs increased by 38.8% from RMB150.8 million to RMB209.2 million.

Gross profit and gross profit margin

As a result of the foregoing, our overall gross profit increased by 33.4% from RMB243.9 million in 2024 to RMB325.3 million in 2025. Our overall gross profit margin remained relatively stable at 55.6% in 2024 and 54.5% in 2025.

(a) Gross profit and gross profit margin by business segment

(i) Our gross profit margin for printing control systems remained stable at approximately 62.9% in 2024 and 63.0% in 2025. This stability in gross profit margin was supported by a balanced product mix, with a slight increase in the proportion of higher-margin products sold during this period.

(ii) Our gross profit margin for printing machines and consumables increased from approximately 33.6% in 2024 to 36.8% in 2025. This increase of approximately 3.2 percentage points in gross profit margin was primarily attributable to changes in product mix within the segment, including a higher contribution from dyes and inks, which generally had higher gross profit margins, following our acquisition of Shanghai Celludye on August 31, 2025 and the consolidation of its financial results for the four months ended December 31, 2025.

(iii) Our gross profit for printing software and services increased from approximately RMB7.3 million in 2024 to RMB17.5 million in 2025, primarily driven by the expansion of our overseas RIIN Galaxy SaaS services and increased revenue from our RIP software solutions. Our gross profit margin also increased from approximately 52.1% to 57.4%, representing an increase of approximately 5.3 percentage points, primarily due to improved economies of scale and operating leverage as revenue from this segment increased.

(b) Gross profit and gross profit margin by geographical location

Chinese Mainland

The gross profit margin from sales to customers in the Chinese Mainland remained stable at approximately 57.9% in 2024 and 56.2% in 2025.

Japan and others

The gross profit margin from the sale to customers in Japan and other locations increased from approximately 40.6% in 2024 to 45.1% in 2025. The increase was mainly due to a change in the sales mix, driven by our acquisition of Shanghai Celludye on August 31, 2025, which resulted in increased sales of higher-margin products, such as dyes and inks, to customers in Japan.

Research and development expenses

Our research and development expenses increased by 39.9% from RMB74.4 million in 2024 to RMB104.1 million in 2025. This investment supported the expansion of our R&D team and their compensation, enabling us to advance key projects like our RIIN Galaxy SaaS services and innovative control systems. Concurrently, we allocated significant resources toward the development of new solutions, laying the groundwork for future income streams across the entire POD value chain.

Selling expenses

Our selling expenses increased by 86.1% from RMB13.2 million in 2024 to RMB24.5 million in 2025, primarily due to (i) an increase of RMB5.8 million in staff costs, as a result of the increase in headcount of our sales and marketing personnel, and (ii) an increase in marketing expenses, to support the expansion of our RIIN Galaxy SaaS services and related sales activities.

Administrative expenses

Our administrative expenses increased by 40.3% from RMB38.5 million in 2024 to RMB54.0 million in 2025, primarily attributable to (i) an increase of RMB9.9 million in staff costs, as a result of the increase in headcount of our administrative staff, and (ii) an increase of RMB5.1 million in depreciation expenses resulting from greater investment in fixed assets and software, to support our business scale expansion. Since March 2024, our Group had implemented growing recruitment initiatives to secure high-caliber experts to fuel our long-term roadmap and lay the groundwork for future development.

Finance costs

Our finance costs increased from RMB0.7 million in 2024 to RMB5.4 million in 2025, primarily due to (i) the recognition of expenses relating to the put option granted to the non-controlling interest in connection with our acquisition of Shanghai Celludye, which was completed on August 31, 2025, and (ii) increased interest expenses on bank borrowings following the consolidation of Shanghai Celludye's financial results for the four months ended December 31, 2025.

Other income and other expenses, net

Our net other income decreased by 16.2% from RMB32.5 million in 2024 to RMB27.2 million in 2025, primarily due to a decrease in government grants as a result of a reduction in available government subsidy projects during 2025, partially offset by an increase in interest income from bank deposits.

Other gains and losses, net

Our net other gains decreased from RMB1.3 million 2024 to RMB0.3 million in 2025, primarily due to (i) a loss recognized on disposal of property, plant and equipment in 2025 as compared to a gain in 2024, partially offset by higher fair value gains on financial assets at FVTPL, (ii) a change from net foreign exchange gains to net foreign exchange losses, mainly due to the consolidation of Shanghai Celludye as a substantial portion of its revenue was derived from overseas sales settled in U.S. dollars, and (iii) higher other net losses.

Impairment losses under ECL model, net of reversal

Our net impairment losses under ECL model increased from RMB0.8 million in 2024 to RMB2.4 million in 2025, primarily due to an increase in the level of our trade receivables in line by our growing business, as well as the consolidation of Shanghai Celludye's trade receivables following our acquisition of such business on August 31, 2025.

Share of result of an associate

Our net share of loss of an associate was RMB0.4 million in 2025, where we did not have any investment in associate company during 2024.

Income tax

Our income tax expense decreased by 15.9% from RMB8.5 million in 2024 to RMB7.1 million in 2025, primarily attributable to a significant increase in R&D expenses, which qualified for the weighted pre-tax deduction under the PRC's preferential corporate income tax policy and a higher deferred tax credit in 2025. For details of the weighted pre-tax deduction, see "Regulatory Overview — Applicable Laws and Regulations to our Business in the PRC — Regulations on taxation — Enterprise Income Tax".

Profit for the year

As a result of the foregoing, our net profit for the period increased by 1.8% from RMB139.8 million for the year ended December 31, 2024 to RMB142.3 million for the year ended December 31, 2025. Our net profit margin decreased from 31.9% in 2024 to 23.8% in 2025.

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

Revenue

(a) Revenue by business segment

Our total revenue increased by 32.2% from RMB332.1 million in 2023 to RMB439.0 million in 2024, mainly due to the following changes:

(i) Our revenue from printing control system increased by 22.0% from RMB262.7 million in 2023 to RMB320.6 million in 2024, primarily attributable to an increase in sales volume from approximately 80,000 units in 2023 to approximately 93,000 units in 2024, driven by the stronger demand by downstream POD merchandise factories. According to Frost & Sullivan, the global printing control systems market, in terms of revenue, grew from approximately USD729.9 million in 2023 to USD795.0 million in 2024, demonstrating robust market expansion. Meanwhile, the average selling price of our printing control system increased between 2023 and 2024;

(ii) Our revenue from printing machines and consumables increased by 75.3% from RMB59.6 million in 2023 to RMB104.4 million in 2024, primarily attributable to a significant increase in the sales of our printing consumables, such as printheads, as well as individual components and others. The growth in printheads was largely driven by the Company's increased investment in printheads business in 2024, while revenue from individual components and others also increased due to higher technical service fees. Furthermore, the growth in our printing control system segment fostered cross-selling of our printing consumables; and

(iii) Our revenue from printing software and services increased by 42.7% from RMB9.8 million in 2023 to RMB13.9 million in 2024. This growth was driven by increased revenue from our RIIN Galaxy SaaS services and RIP software solutions. During the years, we focused on continuous service enhancement and the deliberate standardization of our core technologies.

(b) Revenue by geographical location

Chinese Mainland

Revenue recognized from sales to customers in the Chinese Mainland increased by approximately RMB96.8 million, or 34.2%, from approximately RMB283.2 million in 2023 to RMB380.0 million in 2024. This growth was primarily driven by increased customer demand in the Chinese Mainland market. According to Frost & Sullivan, the market size in China for the digital printing solutions industry has increased from approximately USD7.0 billion in 2023 to USD7.6 billion in 2024. The growth in sales volume and revenue in the Chinese Mainland was also supported by our enhanced market reputation.

Japan and others

Revenue recognized from sales to customers in Japan and other locations increased by approximately RMB10.1 million, or 20.6%, from approximately RMB48.9 million in 2023 to RMB59.0 million in 2024. This growth was primarily driven by increased customer demand in Japan mainly attributable to sales from individual components, as well as development fees recognized in 2024.

Cost of sales

Our cost of sales increased by 36.2% from RMB143.2 million in 2023 to RMB195.1 million in 2024, primarily attributable to an increase in direct material costs, which was generally in line with our growth in revenue. In general, we record an increase across most of our production costs to meet our elevated production demand.

Gross profit and gross profit margin

As a result of the foregoing, our overall gross profit 29.2% increased by from RMB188.8 million in 2023 to RMB243.9 million in 2024.

Our overall gross profit margin slightly decreased from 56.9% in 2023 to 55.6% in 2024, mainly due to a decrease in the gross profit margin of our printing machines and consumables. Due to a change in product mix in this segment toward an increased proportion of sales from our printheads of lower margin, the gross profit margin of our printing machines and consumables decreased. Meanwhile, we recorded an increase in the gross profit margin of our printing control system and printing software and services.

(a) Gross profit and gross profit margin by business segment

(i) Our gross profit margin for printing control systems remained stable at approximately 60.5% in 2023 and 62.9% in 2024. This stability in gross profit margin was supported by a balanced product mix, with a higher proportion of higher-margin products sold during the period.

(ii) Our gross profit margin for printing machines and consumables decreased from approximately 43.0% in 2023 to 33.6% in 2024. This reduction of approximately 9.4 percentage points in gross profit margin was primarily driven by a decline in the gross profit margin for printheads. While revenue from printheads increased in 2024 due to our expanded market presence and competitive pricing strategy, such strategy led to a decrease in the gross profit margin for printheads.

(iii) Our gross profit margin for printing software and services increased from approximately 43.8% in 2023 to 52.1% in 2024. This improvement was primarily driven by a 42.7% increase in revenue, supported by strong growth in our RIIN Galaxy SaaS services. The margin expansion reflects the benefits of economies of scale, as higher revenue helped absorb fixed costs more effectively.

(b) Gross profit and gross profit margin by geographical location

Chinese Mainland

The gross profit margin from sales to customers in the Chinese Mainland remained stable at approximately 59.3% in 2023 and 57.9% in 2024.

Japan and others

The gross profit margin from sales to customers in Japan and other locations remained relatively stable at approximately 42.7% in 2023 and 40.6% in 2024, primarily due to consistent product offerings and pricing strategies.

Research and development expenses

Our research and development expenses increased by 36.7% from RMB54.4 million in 2023 to RMB74.4 million in 2024, primarily attributable to an increase in the number of our R&D personnel and their salaries and bonuses as a result of our business expansion.

Selling expenses

Our selling expenses increased by 41.3% from RMB9.3 million in 2023 to RMB13.2 million in 2024, primarily due to (i) an increase of RMB2.5 million in staff costs, as a result of the increase in headcount of our sales and marketing personnel, and (ii) an increase in marketing expenses, in response to our expanded business scale and sales activities.

Administrative expenses

Our administrative expenses increased by 42.4% from RMB27.0 million in 2023 to RMB38.5 million in 2024, primarily attributable to (i) an increase of RMB4.1 million in staff costs, as a result of the increase in headcount of our administrative staff, (ii) an increase in depreciation expenses resulting from greater investment in fixed assets and software, to support our business scale expansion, and (iii) an increase in external business consulting fees to advise on business growth and strategy.

Finance costs

Our finance costs increased from RMB0.4 million in 2023 to RMB0.7 million in 2024, primarily due to a rise in lease liabilities resulting from new lease agreements for office premises and staff dormitory facilities entered into during the 2024.

Other income and other expenses, net

Our net other income increased by 64.6% from RMB19.7 million in 2023 to RMB32.5 million in 2024 as we recorded a higher value-added tax refund, which was in line with the expansion of our revenue base. Furthermore, our Group received an reward of RMB3.6 million granted by Shenzhen Municipal Government for supporting our multi-year and phased project of "High-Speed, High-Precision Industrial Printing and Image Processing Control System (高速高精度工業打印及圖像處理控制系統)" to develop intelligent color management software, nozzle hole compensation technology, nozzle drive waveform intelligent control technology, image high-speed processing and transmission printing technology, and ink dot quality control technology.

Other gains and losses, net

Our net other gains decreased from RMB2.0 million in 2023 to RMB1.3 million in 2024, primarily due to lower gains recognized from fair value changes of our financial assets at FVTPL, which was partially offset by an increase in our foreign exchange gains and an increase in gain on disposal of property, plant and equipment.

Impairment losses under ECL model, net of reversal

We recorded net impairment losses under ECL model of RMB0.8 million in 2024, as compared to net reversal of impairment losses under ECL model of RMB4.3 million in 2023, primarily due to the recovery of certain receivables in 2023, which resulted in the reversal of previously recognized impairment provisions.

Income tax

Our income tax expense decreased by 22.0% from RMB10.9 million in 2023 to RMB8.5 million in 2024, primarily attributable to a significant increase in R&D expenses, which qualified for the weighted pre-tax deduction under the PRC's preferential corporate income tax policy. This was partially offset by an increase in our profit before tax. For details of the weighted pre-tax deduction, see "Regulatory Overview — Applicable Laws and Regulations to our Business in the PRC — Regulations on taxation — Enterprise Income Tax".

Profit for the year

As a result of the foregoing, our net profit for the year increased by 24.1% from RMB112.7 million in 2023 to RMB139.8 million in 2024. Our net profit margin decreased from 33.9% in 2023 to 31.9% in 2024.

DESCRIPTION OF CERTAIN ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our consolidated statements of financial position 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	8,076	9,013	152,140
Right-of-use assets	5,824	18,996	43,988
Intangible assets	1,174	1,782	172,375
Goodwill	–	–	73,793
Investment in an associate	–	–	9,642
Prepayment for acquisition of property, plant and equipment	155	1,511	2,157
Deferred tax assets	3,318	3,398	4,013
Other receivables, prepayments and deposits	823	1,286	1,295
Total non-current assets	19,370	35,986	459,403

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Inventories	33,976	42,095	137,510
Trade and bills receivables	36,115	48,115	132,930
Other receivables, prepayments and deposits	4,985	10,044	35,985
Contract assets	–	60	109
Tax recoverable	1,631	3,863	11,010
Financial assets at FVTPL	34,974	13,068	327,917
Amounts due from related parties	874	626	918
Pledged bank balances	–	–	22,277
Short-term fixed deposits	176,755	354,076	102,534
Cash and cash equivalents	72,026	122,586	205,288
Total current assets	361,336	594,533	976,478
Current liabilities			
Trade, bills and other payables	46,807	68,113	160,330
Amounts due to related parties	241	1	1,089
Tax payable	4,191	–	3,080
Bank borrowings	2,802	–	60,129
Lease liabilities	3,762	6,454	5,629
Contract liabilities	3,062	8,837	25,810
Provisions	2,275	4,059	6,450
Deferred income	–	–	1,078
Total current liabilities	63,140	87,464	263,595
Non-current liabilities			
Put option written to a non-controlling interest	–	–	347,256
Bank borrowings	–	–	140,000
Lease liabilities	2,863	13,469	9,776
Deferred tax liabilities	–	–	31,021
Total non-current liabilities	2,863	13,469	528,053
NET ASSETS	314,703	529,586	644,233
Capital and reserves			
Share capital	60,000	61,800	63,093
Reserves	254,703	467,786	321,518
Equity attributable to owners of the Company	314,703	529,586	384,611
Non-controlling interests	–	–	259,622
Total equity	314,703	529,586	644,233

Property, Plant and Equipment

As of December 31, 2023, 2024 and 2025, our property, plant and equipment were RMB8.1 million, RMB9.0 million and RMB152.1 million, respectively, primarily representing (i) buildings, (ii) machineries, (iii) motor vehicles, (iv) furniture and electronic equipment, and (v) leasehold equipment, which were procured to support our daily operation. Our property, plant and equipment increased significantly from RMB9.0 million as of December 31, 2024 to RMB152.1 million as of December 31, 2025, primarily due to our acquisition of Shanghai Celludye completed on August 31, 2025, which added substantial fixed assets to our Group, including buildings and a significant amount of machineries.

Right-of-use Assets

Our right-of-use assets consist of various leased offices, staff quarters and warehouses for its operations. Our right-of-use assets increased from RMB5.8 million as of December 31, 2023 to RMB19.0 million as of December 31, 2024, primarily due to the recognition of new leases for office premises and staff dormitory. Our right-of-use assets increased significantly to RMB44.0 million as of December 31, 2025 after our acquisition of Shanghai Celludye completed on August 31, 2025, which added leasehold lands with a carrying value of RMB29.5 million to our Group.

Intangible Assets

Our intangible assets mainly consist of software, pollution emission rights, client relationship, trademarks and technology for supporting daily operation.

As of December 31, 2023, 2024 and 2025, our intangible assets were RMB1.2 million, RMB1.8 million and RMB172.4 million, respectively. Our intangible assets increased significantly from RMB1.8 million as of December 31, 2024 to RMB172.4 million as of December 31, 2025, driven by our acquisition of Shanghai Celludye completed on August 31, 2025. The acquisition added substantial intangible assets to our Group, primarily comprising client relationship, trademarks and technology.

Goodwill

Our goodwill consisted of the excess of the purchase price over the fair value of our acquired business. Our goodwill remained nil as of December 31, 2023 and 2024. Our goodwill increased from nil as of December 31, 2024 to RMB73.8 million as of December 31, 2025 due to our acquisition of Shanghai Celludye in August 2025.

Impairment testing of goodwill

The goodwill arising from the acquisition of Shanghai Celludye was tested for impairment by determining the recoverable amount of the Cash-Generating Unit ("**CGU**") using a value-in-use calculation. This calculation was based on cash flow projections from management-approved financial budgets over a five-year period, with a pre-tax discount rate of 13.9% and a terminal growth rate of 2%. Expected cash flows were determined based on past performance and management's market expectations.

As of December 31, 2025, the recoverable amount of the CGU of Shanghai Celludye exceeded its carrying amount by approximately RMB48.9 million, providing sufficient headroom. Our Directors are of the view that no reasonably possible changes in key assumptions would cause the carrying amount to exceed the recoverable amount. If the pre-tax discount rate were increased to 15.0% (with other assumptions unchanged), the recoverable amount would equal the carrying amount. For details, see note 17 to the Accountants' Report as set out in Appendix I to this document.

Investment in an Associate

Our investments in associate primarily represents our investments in an entity in which we do not have a controlling interest. We did not have investments in an associate as of December 31, 2023 and 2024. Our investment in an associate was RMB9.6 million as of December 31, 2025, primarily due to our investment in Xi'an Degaojingdian Digital Technology Co., Ltd.

Inventories

Our inventories primarily consist of (i) raw materials, (ii) work in progress and (iii) finished goods. 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	20,243	26,329	73,066
Work in progress	615	1,188	6,751
Finished goods	13,118	14,578	57,693
	33,976	42,095	137,510

Our inventories increased from 34.0 million as of December 31, 2023 to RMB42.1 million as of December 31, 2024, primarily due to a recorded increase across our raw materials, work in progress and finished goods in response to increased customer orders aligned with our organic business growth. Our inventories further increased to RMB137.5 million as of December 31, 2025, primarily attributable to our acquisition of Shanghai Celludye completed on August 31, 2025, which contributed substantial inventories of ink and colorants related to its principal business. The following table sets forth an aging analysis of our inventories:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	28,406	41,985	130,895
Between 1 year and 2 years	5,570	110	3,119
Over 2 years	–	–	3,496
Total	**33,976**	**42,095**	**137,510**

The following table sets forth the number of our inventory turnover days for the year indicated:

	For the year ended December 31,		
	2023	2024	2025
Inventory turnover days[(Note)]	110.5 days	71.2 days	120.7 days

Note: Inventories turnover days for a year equals the average of the opening and closing balance of inventories divided by cost of sales for the same year and multiplied by the number of days in the relevant year.

Our inventory turnover days decreased from 110.5 days as of December 31, 2023 to 71.2 days as of December 31, 2024. While we recorded a higher inventory level as of December 31, 2024 compared to December 31, 2023, this was more than offset by a significantly accelerated rate of product throughput, reflecting stronger sales growth and enhanced inventory management efficiency. Our inventory turnover days significantly increased to 120.7 days in 2025, primarily due to acquisition of Shanghai Celludye, which substantially increased our inventory level at the year end.

As of March 31, 2026, RMB95.8 million, or 69.4% of our inventories as of December 31, 2025, had been used, consumed or sold.

Our Directors are of the view that we have made sufficient impairment provisions for inventories during the Track Record Period, as (i) such provisions were made in accordance with the relevant accounting standards and our inventory management practices based on the principle of prudence. These provisions considered factors such as subsequent consumption, selling prices, cost of sales and the difference between inventory costs and their net realizable value, ensuring that reasonable and sufficient provisions were made; (ii) as of March 31, 2026 approximately 69.4% of the ending inventory balance as of December 31, 2025 had been used, consumed or sold; and (iii) the majority of our inventories are aged within one year, with certain items held for strategic reserve purposes.

Trade and Bills Receivables

Our trade and bill receivables comprised primarily outstanding amounts payable by third parties. The following table sets forth the breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	33,496	44,043	114,546
Less: Allowance for credit losses	(1,811)	(2,331)	(4,289)
Trade receivables, net	31,685	41,712	110,257
Bills receivables	4,430	6,403	22,673
Trade and bills receivables	36,115	48,115	132,930

Our trade and bills receivables increased from RMB36.1 million as of December 31, 2023 to RMB48.1 million as of December 31, 2024 mainly due to our overall business growth. As of December 31, 2025 our trade and bills receivables increased significantly to RMB132.9 million following acquisition of Shanghai Celludye completed on August 31, 2025 and consolidation of its assets into our Group's consolidated financial statements.

The payment terms are stipulated in relevant contracts. Our Group's trading terms with our customers are mainly on credit, with credit periods generally ranging from 0 to 90 days. Our Group seeks to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by the Directors. Our Group does not hold any collateral or other credit enhancements over our trade receivables balances. Trade receivables are non-interest-bearing.

The following table sets forth the aging analysis of our trade receivables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	31,093	39,913	103,833
91 to 180 days	390	1,705	6,424
181 to 360 days	28	80	–
Over 360 days	174	14	–
	31,685	41,712	110,257

The following table sets forth a summary of trade receivables turnover days for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
Trade receivable turnover days *(Note)*	30.4 days	30.5 days	46.5 days

Note: Trade receivables turnover days is calculated as the arithmetic mean of the opening and closing balances of trade receivables (after impairment) by our total revenue in the respective year and multiplying by the number of days in the relevant year.

Our trade receivables turnover days were 30.4 days, 30.5 days for the years ended December 31, 2023 and 2024 which were general in line with our credit policy. Our trade receivables turnover days increased to 46.5 days in 2025, primarily due to a significant increase our trade receivables balance as of year end following acquisition of Shanghai Celludye completed on August 31, 2025 and consolidation of its assets into our Group's consolidated financial statements.

As of March 31, 2026, RMB97.8 million or 88.9% of our trade receivables outstanding as of December 31, 2025 were settled.

Our Directors are of the view that we have made sufficient impairment provisions for trade receivables during the Track Record Period, as (i) such provisions were made in accordance with the relevant accounting standards and our trade receivables management practices. These provisions took into account factors such as customers' credit histories, subsequent settlement, aging analyses and the difference between carrying amounts and their recoverable amounts, ensuring that reasonable and sufficient provisions were made; (ii) as of March 31, 2026, approximately 88.9% of our trade receivables had been substantially settled.

Other Receivables, Prepayments and Deposits

Our other receivables, prepayments and deposits mainly represented time deposits, prepayments and value-added tax recoverable. The following table sets forth the breakdown of our deposits, prepayments and other receivables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Business transfer receivable	2,593	2,593	2,593
Deposits	1,323	2,028	4,247
Prepayments	2,221	4,092	24,776
Value added tax recoverable	1,608	2,578	2,534
Others	1,286	2,985	2,984
Deferred [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	9,031	14,799	40,917
Less: Allowance for credit losses	(3,223)	(3,469)	(3,637)
	5,808	11,330	37,280

Our other receivables, prepayments and deposits increased from RMB5.8 million as of December 31, 2023 to RMB11.3 million as of December 31, 2024, mainly driven by increased prepayments, recoverable taxes and deposits for the acquisition of property, plant, and equipment in support of the Company's ongoing business expansion. As of December 31, 2025, the balance increased significantly to RMB37.3 million, following acquisition of Shanghai Celludye completed on August 31, 2025 and consolidation of its assets into our Group's consolidated financial statements. As of December 31, 2025, our Group also recorded a significant increase in unutilized prepayments to ensure a stable supply of direct materials and a deferred [**REDACTED**] in connection with the [**REDACTED**].

As of March 31, 2026, RMB1.9 million or 5.1% of our other receivables, prepayments and deposits as of December 31, 2025 were settled.

Financial Assets at FVTPL

Our financial assets at FVTPL represented our investments in money market funds. As of December 31, 2023, 2024 and 2025, our financial assets at FVTPL were RMB35.0 million, RMB13.1 million and RMB327.9 million, respectively.

We actively manage surplus funds based on our cash flow needs. While ensuring sufficient reserves for daily operations, we utilize available funds by allocating them to unlisted money market funds. These investments offer flexibility, allowing deposits and withdrawals without significant restrictions or conditions, ensuring that funds remain readily accessible when needed while optimizing interest income.

Our financial assets at FVTPL, primarily subject to level 2 fair value measurement, consist mainly of unlisted money market funds. The fair value of these funds is determined based on redemption values provided by the relevant investment institutions, with reference to the underlying assets (primarily highly liquid instruments such as listed securities and bonds). For further details on the fair value measurement of our financial assets, see note 38 of the Accountants' Report in Appendix I to this document.

We have established comprehensive management systems to oversee investments in financial products, including unlisted money market funds. These systems define approval authority, authorization management, risk control and operational processes, prioritizing low-risk, secure and liquid products to enhance capital efficiency and generate stable returns. Our finance department manages the portfolio, including planning, executing investments and daily accounting, while the internal audit department conducts audits and ensures accurate financial records. Regular reports are submitted to senior management to maintain transparency. The Board of Directors oversees investment activities, with prior approval required for significant investments to ensure alignment with our objectives, risk management policies and financial strategies.

In addition, we comply with all applicable laws, regulations, and management policies to ensure proper disclosure of investment information. Following the [**REDACTED**], our investments in financial products will be conducted in accordance with the provisions of Chapter 14 of the Listing Rules.

Amounts Due from/(to) Related Parties

Our amounts due from related parties decreased from RMB0.9 million as of December 31, 2023 to RMB0.6 million as of December 31, 2024, primarily attributable to settlement by a related party of the its payables which was of trade nature and for provision of our products and solutions. Amounts due from related companies increased to RMB0.9 million as of December 31, 2025, following our acquisition of Shanghai Celludye completed on August 31, 2025 and consolidation of its assets into our Group's consolidated financial statements.

We recorded amounts due to related parties of approximately RMB0.2 million, RMB1 thousand and RMB1.1 million as of December 31, 2023, 2024 and 2025.

Among the above balances, we recorded non-trade amounts due from related parties of approximately RMB0.2 million as of December 31, 2025, and non-trade amounts due to related parties of RMB0.2 million, RMB1 thousand and RMB1.0 million as of December 31, 2023, 2024 and 2025. These amounts are unsecured and non-interest bearing. We plan to settle these amounts prior to the [**REDACTED**].

Put Option Written to a Non-controlling Interest

We recorded a put option written to a non-controlling interest of RMB347.3 million as of December 31, 2025. This represents a put option written to the non-controlling interest of Shanghai Celludye, of which our acquisition was completed on August 31, 2025. We recorded the remeasurement differences in other reserve at the end of each reporting period. We wrote this put option to the vendors of Shanghai Celludye, which are currently the non-controlling shareholders of Shanghai Celludye holding 49.0% equity interests in Shanghai Celludye. In accordance with the terms of such put option, the non-controlling shareholders shall have the right to sell its remaining 49.0% interests in Shanghai Celludye to our Group within four months after the end of 2027 if Shanghai Celludye meets certain profit targets. The consideration shall be determined by further negotiation between us and non-controlling shareholders, and shall not be lower than the agreed price-earning ratio. See note 35 of the Accountants' Report in Appendix I to this document for more information.

Trade, Bills and Other Payables

Our trade, bills and other payables increased from RMB46.8 million as of December 31, 2023 to RMB68.1 million as of December 31, 2024. Our trade, bills and other payables increased to RMB160.3 million as of December 31, 2025.

Our trade and bills payables mainly represented amounts due to suppliers for purchases of direct materials and key components. The following table sets forth our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables due to third parties	21,740	27,713	57,157
Bills payables	–	–	16,407
	21,740	27,713	73,564

The following table sets forth the aging analysis of our trade and bills payables based on the invoice date as of the dates indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	21,682	27,267	60,807
91 to 180 days	5	338	12,293
Over 180 days	53	108	464
	21,740	27,713	73,564

The following table sets forth a summary of trade payables turnover days for the years indicated:

	For the year ended December 31,		
	2023	**2024**	**2025**
Trade payables turnover days *(Note)*	48.4 days	46.3 days	57.0 days

Note: Trade payables turnover days is calculated as the arithmetic mean of the opening and closing balances of trade payables by our total cost of sales in the respective year and multiplying by the number of days in the relevant year.

Trade payables are non-interest bearing and are normally settled within one to three months. Our trade payables turnover days were 48.4 days, 46.3 days and 57.0 days for the years ended December 31, 2023, 2024 and 2025, respectively, which were in line with our normal settlement days.

As of March 31, 2026, RMB41.4 million or 72.6% of our trade payables outstanding as of December 31, 2025 were settled.

Our other payables primarily comprise (i) accrued staff expenses, (ii) other tax payables, (iii) endorsed notes receivable that have not been derecognized, (iv) other accrued staff expenses, (v) dividend payables, and (vi) others. The following table sets forth the breakdown of our other payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Accrued staff expenses	20,364	30,611	31,364
Other tax payables	3,104	5,215	8,563
Other accrued expenses	1,238	2,007	2,070
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Dividend payables	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others	361	362	1,267
	25,067	40,400	86,766

Our other payables increased from RMB25.1 million as of December 31, 2023 to RMB40.4 million as of December 31, 2024. The increase was mainly due to our ongoing increase in our salaries and wages, reflecting our enlarged workforce and increasing operational liabilities in support of our business growth. Our other payables increased significantly to RMB86.8 million following our acquisition of Shanghai Celludye completed on August 31, 2025 and consolidation of its liabilities into our Group's consolidated financial statements, including dividend payables with a carrying value of RMB40.7 million in 2025. Our Directors confirm that all dividend payables will be fully settled before [**REDACTED**]. We also recorded an increase in accrued expenses in connection with the [**REDACTED**].

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we have funded our operations primarily though capital injection from shareholders and cash generated from operations. The following table sets forth a summary of our cash flows for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	143,621	140,372	84,389
Net cash used in investing activities	(134,502)	(155,918)	(187,583)
Net cash generated from/(used in) financing activities	(5,607)	66,178	185,812
Net increase in cash and cash equivalents	3,512	50,632	82,618
Cash and cash equivalents at the beginning of the year	68,729	72,026	122,586
Effect of foreign exchange rate changes	(215)	(72)	84
Cash and cash equivalents at the end of the year	72,026	122,586	205,288

Net Cash Generated from Operating Activities

During the Track Record Period, our cash inflow from operating activities was principally from the receipt of revenue from the sales of our products and solutions. Our cash outflow used in operating activities was principally for purchases of direct materials, wages and salaries paid to our staff and other operating expenses.

For the year ended December 31, 2025, our Group had net cash generated from operating activities of RMB84.4 million. During the year, our operating cash inflows before movements in working capital were RMB173.6 million. Our cash flow was negatively affected by working capital adjustments primarily including (i) an increase in inventories of RMB44.7 million, (ii) an increase in trade and bills receivables of RMB36.8 million, (iii) an increase in other receivables, prepayments and deposits RMB15.2 million, and (iv) an increase in trade, bills and other payables of RMB5.2 million, which was partially offset by (v) an increase in contract liabilities of RMB13.6 million.

For the year ended December 31, 2024, our Group had net cash generated from operating activities of RMB140.4 million. During the year, our operating cash inflows before movements in working capital were RMB154.3 million. Our cash flow was positively affected by working capital adjustments primarily including (i) an increase in trade, bills and other payables of RMB20.8 million, and (ii) an increase in contract liabilities of RMB5.8 million, which was partially offset by (iii) an increase in inventories of RMB9.3 million, (iv) an increase in trade and bills receivables of RMB12.5 million, and (v) an increase in other receivables, prepayments and deposits RMB5.5 million.

For the year ended December 31, 2023, had net cash generated from operating activities of RMB143.6 million. During the year, our operating cash inflows before movements in working capital were RMB124.4 million. Our cash flow was positively affected by working capital adjustments primarily including (i) a decrease in inventories of RMB17.8 million, (ii) an increase in trade, bills and other payables of RMB10.0 million, and (iii) a decrease in amount due from related parties of RMB4.3 million, which was partially offset by (iv) an increase in trade and bills receivables of RMB11.0 million, and (v) a decrease in contract liabilities of RMB4.3 million.

Our Group's cash conversion cycle increased to approximately 111 days for the year ended December 31, 2025, primarily due to the acquisition of Shanghai Celludye. Shanghai Celludye's cash conversion cycle of 35.7 days for the year ended December 31, 2025, which was largely attributable to its inventory turnover days during the same period, as it maintains higher inventory levels due to its business model and operational requirements to ensure stable supply and meet customer demand. Excluding the impact of Shanghai Celludye, the cash conversion cycle of our Group's core operations was approximately 61.1 days, which remained consistent with the historical average during the Track Record Period.

To manage the prolonged cash conversion cycle, our Group has implemented and will continue to adopt several strategic measures. These include strengthening trade receivable management through regular aging analyses, proactive customer engagement and follow-ups to expedite collections. Furthermore, our Group will negotiate more flexible payment terms with suppliers and actively monitor inventory levels to avoid overstocking.

Net Cash Used in Investing Activities

During the Track Record Period, our cash inflow from investing activities was principally from disposal of short-term fixed deposits and maturity of financial assets at FVTPL. Our cash outflow used in investing activities was principally for purchases of financial assets at FVTPL, placement of fixed-term bank deposit and acquisition of a subsidiary.

For the year ended December 31, 2025, our Group had net cash used in investing activities of RMB187.6 million, primarily attributable to (i) placement of short-term fixed deposits of RMB102.0 million, and (ii) purchases of financial assets of assets at FVTPL of RMB307.0 million, and (iii) net cash outflow on acquisition of a subsidiary of RMB176.5 million, which was partially offset by (iv) proceeds from withdrawal of short-term fixed deposits of RMB352.4 million, and (v) proceeds from maturity of financial assets at FVTPL of RMB63.8 million.

For the year ended December 31, 2024, our Group had net cash used in investing activities of RMB155.9 million, primarily attributable to (i) placement of short-term fixed deposits of RMB409.9 million, and (ii) purchases of financial assets of assets at FVTPL of RMB89.0 million, which was partially offset by (iii) proceeds from withdrawal of short-term fixed deposits of RMB233.5 million, and (iv) proceeds from maturity of financial assets at FVTPL of RMB111.6 million.

For the year ended December 31, 2023, our Group had net cash used in investing activities of RMB134.5 million, primarily attributable to (i) placement of short-term fixed deposits of RMB206.1 million, and (ii) purchases of financial assets at FVTPL of RMB371.0 million, which was partially offset by (iii) proceeds from withdrawal of short-term fixed deposits of RMB45.0 million, and (iv) proceeds from maturity of financial assets at FVTPL of RMB399.8 million.

Net Cash Generated from/(Used in) Financing Activities

During the Track Record Period, our cash inflow from financing activities was principally from capital injection by our shareholders and borrowings. Our cash outflow used in financing activities was principally for payment of dividends and repayment of borrowings and lease liabilities.

For the year ended December 31, 2025, our Group had net cash flows generated from financing activities of RMB185.8 million, primarily attributable to (i) proceeds from capital injection from shareholders of RMB64.6 million, and (ii) proceeds from bank borrowings of RMB200.0 million, which was partially offset by (iii) repayment of lease liabilities of RMB7.1 million, and (iv) dividends paid of RMB66.3 million.

For the year ended December 2024, our Group had net cash flows generated from financing activities of RMB66.2 million, primarily attributable to (i) proceeds from capital injection from shareholders of RMB90.0 million, which was partially offset by (ii) dividends paid of RMB15.0 million, and (iii) repayment of lease liabilities of RMB5.0 million.

For the year ended December 2023, our Group had net cash flows used in financing activities of RMB5.6 million, primarily attributable to (i) repayment of borrowings of RMB5.0 million, and (ii) repayment of lease liabilities of RMB3.8 million, which was partially offset by (iii) proceeds from bank borrowings of RMB3.0 million.

NET CURRENT ASSETS

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current assets				
Inventories	33,976	42,095	137,510	163,114
Trade and bills receivables	36,115	48,115	132,930	98,242
Other receivables, prepayments and deposits	4,985	10,044	35,985	57,096
Contract assets	–	60	109	–
Tax recoverable	1,631	3,863	11,010	–
Financial assets at FVTPL	34,974	13,068	327,917	285,775
Amounts due from related parties	874	626	918	–
Pledged bank balances	–	–	22,277	16,016
Short-term fixed deposits	176,755	354,076	102,534	126,757
Cash and cash equivalents	72,026	122,586	205,288	213,060
Total current assets	361,336	594,533	976,478	960,060

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current liabilities				
Trade, bills and other payables	46,807	68,113	160,330	144,843
Amounts due to related parties	241	1	1,089	–
Tax payable	4,191	–	3,080	–
Bank borrowings	2,802	–	60,129	60,000
Lease liabilities	3,762	6,454	5,629	5,910
Contract liabilities	3,062	8,837	25,810	8,374
Provisions	2,275	4,059	6,450	6,514
Deferred income	–	–	1,078	–
Total current liabilities	63,140	87,464	263,595	255,641
Net current assets	298,196	507,069	712,883	734,419

We had net current assets positions as of December 31, 2023, 2024 and 2025 and March 31, 2026.

Our net current assets increased from RMB507.1 million as of December 31, 2024 to RMB712.9 million as of December 31, 2025, primarily due to (i) an increase in inventories, and (ii) an increase in cash and cash equivalents, (iii) an increase in trade and bills receivables, (iv) an increase in financial assets at FVTPL, which was partially offset by (v) an increase in trade, bills and other payables.

Our net current assets increased from RMB298.2 million as of December 31, 2023 to RMB507.1 million as of December 31, 2024, primarily due to (i) an increase in short-term fixed deposits, and (ii) an increase in cash and cash equivalents, which was partially offset by (iii) a decrease in financial assets at FVTPL, and (iv) an increase in trade, bills and other payables.

MAJOR ACQUISITION UNDER RULE 4.05A OF THE LISTING RULES

On August 31, 2025, we completed a vertical acquisition which enabled us to expand our reach into the upstream segment of our value chain. The target company, namely, Shanghai Celludye (the "**Target Company**"), is primarily engaged in ink production. Such acquisition constituted a major transaction under Rule 4.05A of the Listing Rules. See "History, Development and Reorganization — Major Acquisitions, Disposals and Mergers".

To facilitate our [**REDACTED**] to understand the financial performance of the Target Company during the Track Record Period and before the acquisitions are completed, we set forth the pre-acquisition financial information of the Target Company as follows. For further information of Target Companies' pre-acquisition financial information, see Accountant's Report of Shanghai Celludye in Appendix IA to this document.

Shanghai Celludye

Shanghai Celludye was incorporated on December 27, 2005 and was acquired by us on August 31, 2025. The following table is a summary of the major components of the consolidated statements of profit or loss and other comprehensive income of Shanghai Celludye for the pre-acquisition period from January 1, 2023 to August 31, 2025.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,		For the eight months ended August 31,	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (*unaudited*)	
Revenue	143,941	171,990	110,005	148,691
Cost of sales	(84,896)	(93,674)	(60,007)	(80,948)
Gross profit	**59,045**	**78,316**	**49,998**	**67,743**
Administrative expenses	(12,321)	(12,039)	(7,600)	(7,192)
Research and development expenses	(10,518)	(10,518)	(5,576)	(5,939)
Selling and distribution expenses	(996)	(1,212)	(614)	(1,008)
Finance costs	(8,640)	(1,133)	(778)	(188)
Other income, expenses, gains and losses, net	4,343	4,031	978	2,551
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	720	(84)	(547)	(1,031)
Profit before tax	**31,633**	**57,361**	**35,861**	**54,936**
Income tax expense	(2,523)	(7,451)	(5,162)	(7,873)
Profit and total comprehensive income for the year/period	**29,110**	**49,910**	**30,699**	**47,063**

Description of Selected Items in the Consolidated Statements of Profit or Loss and Other Comprehensive Income

Revenue

During the years/periods ended December 31, 2023 and 2024 and eight months ended August 31, 2024 and 2025, Shanghai Celludye generated the majority of its revenue from the sales of dyes to its customers. The following table sets forth a breakdown of Shanghai Celludye's revenue by product types for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		**2024**		**2024**		**2025**	
	(RMB'000)	*% of total revenue*	*(RMB'000)*	*% of total revenue*	*(RMB'000)* (*unaudited*)	*% of total revenue*	*(RMB'000)*	*% of total revenue*
Dyes for digital textile printing	90,811	63.1	105,508	61.3	69,526	63.2	90,263	60.7
Dyes for continuous inkjet supply system	42,134	29.3	53,928	31.4	32,380	29.4	41,686	28.0
Inkjet printing inks	10,996	7.6	12,554	7.3	8,099	7.4	16,742	11.3
Total	**143,941**	**100.0**	**171,990**	**100.0**	**110,005**	**100.0**	**148,691**	**100.0**

Shanghai Celludye's total revenue increased by approximately RMB38.7 million, or 35.2%, from approximately RMB110.0 million for the eight months ended August 31, 2024 to RMB148.7 million for the eight months ended August 31, 2025. This growth was primarily driven by the increase in revenue from the sales of (i) dyes for digital textile printing, which grew by approximately RMB20.7 million or 29.8%, primarily due to the growth of the digital textile printing industry and the increasing adoption of digital inkjet printing technology, boosting demand for digital textile dyes; (ii) dyes for continuous inkjet supply systems, which rose by approximately RMB9.3 million or 28.7%, driven by higher demand from Southeast Asia, where downstream customers increasingly adopted continuous inkjet technology; and (iii) inkjet printing inks, which increased by approximately RMB8.6 million or 106.7%, due to a low comparative base and Shanghai Celludye's downstream expansion.

Shanghai Celludye's total revenue increased by approximately RMB28.0 million, or 19.5%, from approximately RMB143.9 million for the year ended December 31, 2023 to RMB172.0 million for the year ended December 31, 2024. This growth was primarily driven by the increase in revenue from the sales of (i) dyes for digital textile printing, which grew by approximately RMB14.7 million or 16.2%, due to the growing adoption of digital inkjet printing technology and rising market demand in the digital textile printing industry; (ii) dyes for continuous inkjet supply systems, which rose by approximately RMB11.8 million or 28.0%, supported by increased demand in Southeast Asia market; and (iii) inkjet printing inks, which increased by approximately RMB1.6 million or 14.2%, driven by a low prior-year base and the Shanghai Celludye's entry into the ink market.

Cost of sales

The following table sets forth the breakdown of Shanghai Celludye's cost of sales by product types for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Dyes for digital textile printing	60,002	70.7	63,237	67.5	41,149	68.6	55,166	68.2
Dyes for continuous inkjet supply system	19,771	23.3	23,692	25.3	14,623	24.4	17,026	21.0
Inkjet printing inks	5,123	6.0	6,745	7.2	4,235	7.0	8,756	10.8
	84,896	**100.0**	**93,674**	**100.0**	**60,007**	**100.0**	**80,948**	**100.0**

Shanghai Celludye's cost of sales increased by approximately RMB20.9 million, or 34.9%, from approximately RMB60.0 million for the eight months ended August 31, 2024 to RMB80.9 million for the eight months ended August 31, 2025. This growth was primarily driven by higher sales volumes, which led to a corresponding rise in cost of sales.

Shanghai Celludye's cost of sales increased by approximately RMB8.8 million, or 10.3%, from approximately RMB84.9 million for the year ended December 31, 2023 to RMB93.7 million for the year ended December 31, 2024. This growth was primarily driven by higher costs of direct materials resulting from higher sales revenue.

Gross profit and gross profit margin

The following table sets forth a breakdown of gross profit and gross profit margin by product types for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		2024		2024		2025	
	Gross profit	GP margin	Gross profit	GP margin	Gross profit	GP margin	Gross profit	GP margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Dyes for digital textile printing	30,809	33.9	42,270	40.1	28,377	40.8	35,097	38.9
Dyes for continuous inkjet supply system	22,364	53.1	30,236	56.1	17,757	54.8	24,659	59.2
Inkjet printing inks	5,872	53.4	5,810	46.3	3,864	47.7	7,987	47.7
Total	**59,045**	**41.0**	**78,316**	**45.5**	**49,998**	**45.5**	**67,743**	**45.6**

For the years ended December 31, 2023 and 2024 and eight months ended August 31, 2024 and 2025, Shanghai Celludye experienced an overall growth in gross profit and recorded gross profit of RMB59.0 million, RMB78.3 million, RMB50.0 million and RMB67.7 million, corresponding to gross profit margin of 41.0%, 45.5%, 45.5% and 45.6%, respectively.

The general increase in gross profit margins was primarily attributed to the gradual ramp-up of production capacity at Hubei Celludye, which led to improved capacity utilization. This increase in utilization allowed fixed costs to be distributed over a larger production volume, contributing to the higher gross profit margin.

Administrative expenses

Shanghai Celludye's administrative expenses primarily consist of (i) employee benefit expenses, including wages and salaries for the administrative department; (ii) depreciation and amortization expenses; (iii) travel and entertainment expenses; (iv) offices and utilities expenses; (v) consultant expenses; and (vi) others. The following table sets forth a breakdown of Shanghai Celludye's administrative expenses for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Employee benefit expenses	6,624	53.8	5,597	46.5	3,161	41.6	2,994	41.6
Depreciation and amortization	2,958	24.0	4,087	33.9	2,853	37.5	2,617	36.4
Travel and entertainment expenses	912	7.4	418	3.5	274	3.6	261	3.6
Office and utilities expenses	536	4.4	382	3.2	270	3.6	278	3.9
Consultant expenses	225	1.8	336	2.8	246	3.2	426	5.9
Others	1,066	8.6	1,219	10.1	796	10.5	616	8.6
Total	**12,321**	**100.0**	**12,039**	**100.0**	**7,600**	**100.0**	**7,192**	**100.0**

Administrative expenses of Shanghai Celludye remained stable at approximately RMB12.3 million in 2023 and RMB12.0 million in 2024, and stayed relatively consistent for the eight months ended August 31, 2024 at RMB7.6 million and RMB7.2 million for the eight months ended August 31, 2025. This was primarily due to changes associated with normal business operations.

Research and development expenses

Shanghai Celludye's research and development expenses primarily consist of (i) direct expenditures; (ii) employee benefit expenses, including wages and salaries for the R&D department; (iii) depreciation and amortization expenses; (iv) contract R&D expenses; and (v) other R&D expenses. The following table sets forth a breakdown of Shanghai Celludye's research and development expenses for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Direct expenditures	4,467	42.5	4,483	42.6	2,091	37.5	1,740	29.3
Employee benefit expenses	3,820	36.3	3,133	29.8	1,676	30.1	2,200	37.0
Depreciation and amortization	2,169	20.6	1,472	14.0	818	14.7	860	14.5
Contract R&D expenses	–	–	1,413	13.4	974	17.5	895	15.1
Others	62	0.6	17	0.2	17	0.2	244	4.1
Total	**10,518**	**100.0**	**10,518**	**100.0**	**5,576**	**100.0**	**5,939**	**100.0**

Research and development expenses remained stable at approximately RMB10.5 million in 2023 and RMB10.5 million in 2024, and stayed relatively consistent for the eight months ended August 31, 2024 at RMB5.6 million and RMB5.9 million for the eight months ended August 31, 2025. This stability was primarily due to steady R&D investment, as well as the increasing maturity of R&D projects.

Selling and distribution expenses

Shanghai Celludye's selling and distribution expenses primarily consist of (i) employee benefit expenses, including wages and salaries for the sales and marketing department; (ii) advertising and promotion expenses; (iii) sample and inspection expenses; (iv) travel and entertainment expenses; (v) export and shipping expenses; (vi) depreciation and amortization; and (vii) others. The following table sets forth a breakdown of Shanghai Celludye's selling and distribution expenses for the years/periods indicated:

	For the year ended December 31,				For the eight months ended August 31,			
	2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Employee benefit expenses	449	45.1	634	52.3	351	57.2	510	50.6
Advertising and promotion expenses	294	29.5	199	16.4	63	10.3	297	29.5
Sample inspection expenses	35	3.5	181	14.9	103	16.8	12	1.2
Travel and entertainment expenses	70	7.0	130	10.7	36	5.9	168	16.7
Export and shipping expenses	119	11.9	42	3.5	42	6.8	4	0.4
Depreciation and amortization	23	2.3	19	1.6	14	2.3	1	0.1
Others	6	0.7	7	0.6	5	0.7	16	1.5
Total	**996**	**100.0**	**1,212**	**100.0**	**614**	**100.0**	**1,008**	**100.0**

Selling and distribution expenses of Shanghai Celludye increased from approximately RMB1.0 million in 2023 to RMB1.2 million in 2024, and increased from RMB0.6 million for the eight months ended August 31, 2024, to RMB1.0 million for the eight months ended August 31, 2025. The increase was primarily driven by higher employee benefit expenses, as sales performance growth led to a rise in sales staff compensation.

Finance costs

Shanghai Celludye's finance costs primarily consist of interest expenses on bank borrowings and redemption liabilities, which arose from the redemption rights exercised by certain investors. In March 2021, Shanghai Celludye entered into investment agreements with independent investors, granting them preferential rights to redeem their shares upon the occurrence of certain events. Although these obligations were initially terminated through supplemental agreements in April 2022, they were reinstated in September 2023 following further negotiations. As a result, Shanghai Celludye repurchased shares at a consideration of RMB86.1 million, leading to a significant increase in redemption liabilities.

Following the cancellation of the repurchased shares in 2023, finance costs of Shanghai Celludye decreased from approximately RMB8.6 million in 2023 to RMB1.1 million in 2024. Finance costs further declined from approximately RMB0.8 million for the eight months ended August 31, 2024 to RMB0.2 million for the eight months ended August 31, 2025. The decline was primarily attributable to the scheduled repayment of long-term loans for fixed assets, resulting in a reduction in interest expenses.

Other income, expenses, gains and losses, net

Shanghai Celludye's other income, expenses, gains and losses primarily consists of (i) government grants, (ii) interest income, (iii) fair value gains and (iv) foreign exchange gains.

Government grants decreased from approximately RMB6.1 million in 2023 to RMB1.5 million in 2024 and remained stable at RMB0.5 million and RMB0.6 million for the eight months ended August 31, 2024, and 2025, respectively. These grants are project-specific and non-recurring. The deferred A-share issue cost of RMB4.9 million recorded in 2023 negatively impacted this line item, but no such costs were incurred in subsequent periods.

Fair value gains on financial assets at FVTPL declined steadily from approximately RMB2.5 million in 2023 to RMB2.3 million in 2024, with further decreases to RMB1.0 million and RMB0.7 million for the eight months ended August 31, 2024 and 2025. This decline was driven by fluctuations in the performance of bank-structured wealth management products, which are influenced by market conditions. Net foreign exchange gains increased from approximately RMB0.4 million in 2023 and 2024 to RMB0.6 million for the eight months ended August 31, 2025, reflecting exchange rate movements.

Impairment losses under ECL model, net of reversal

For the years ended December 31, 2023 and 2024 and eight months ended August 31, 2024 and 2025, Shanghai Celludye's impairment losses under the ECL model, net of reversal, were primarily related to the fluctuations in its trade receivables balance. Shanghai Celludye's impairment losses on trade receivables fluctuated, with a reversal of approximately RMB0.7 million in 2023 and a minor loss of RMB0.1 million in 2024. For the eight months ended August 31, 2024 and 2025, trade receivable impairment losses increased from RMB0.6 million to RMB1.0 million, respectively, reflecting changes in credit risk. However, there were no indications of significant credit risk during the period.

Income tax

Shanghai Celludye recorded income tax expenses of approximately RMB2.5 million, RMB7.5 million, RMB5.2 million and RMB7.9 million for the years ended December 31, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

In 2023, the income tax expense decreased to approximately RMB2.5 million, primarily due to a higher tax benefit for qualifying R&D expenses. In 2024, the income tax expense increased to approximately RMB7.5 million, mainly driven by an increase in profit before tax. For the eight months ended August 31, 2025, the income tax expense slightly increased from approximately RMB7.5 million to RMB7.9 million for the year ended December 31, 2024, despite a slight decrease in profit before tax from RMB57.4 million to RMB54.9 million. This increase was primarily attributable to a reduction in tax benefits for qualifying R&D expenses.

Profit for the year/period

As a result of the foregoing, for the years ended December 31, 2023 and 2024 and eight months ended August 31, 2024 and 2025, Shanghai Celludye recorded profits for the year/period of approximately RMB29.1 million, RMB49.9 million, RMB30.7 million and RMB47.1 million, respectively.

Cash Flows

The table below sets forth a condensed summary of the consolidated statements of cash flows for the years/periods indicated:

	For the year ended December 31,		For the eight months ended August 31,	
	2023	**2024**	**2024**	**2025**
	(RMB'000)	*(RMB'000)*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Net cash generated from operating activities	59,721	82,633	50,174	45,138
Net cash (used in)/from investing activities	45,946	(47,483)	(26,906)	(13,869)
Net cash generated from/(used in) financing activities	(103,003)	(20,527)	(15,563)	77,405

	For the year ended December 31,		For the eight months ended August 31,	
	2023	2024	2024	2025
	(RMB'000)	*(RMB'000)*	*(RMB'000)* *(unaudited)*	*(RMB'000)*
Net increase in cash and cash equivalents	2,664	14,623	7,705	108,674
Effect of foreign exchange rate changes	(215)	352	103	319
Cash and cash equivalents at the beginning of the year/period	33,717	36,166	36,166	51,141
Cash and cash equivalents at the end of the year/period	**36,166**	**51,141**	**43,974**	**160,134**

For the years ended December 31, 2023 and 2024 and eight months ended August 31, 2024 and 2025, Shanghai Celludye's cash inflow from operating activities was principally derived from the receipt of revenue generated from the sales of its products, while Shanghai Celludye's cash outflow used in operating activities was primarily attributable to purchases of direct materials, wages and salaries paid to its staff, as well as other operating expenses.

For the eight months ended August 31, 2025, Shanghai Celludye had net cash generated from operating activities of approximately RMB45.1 million, primarily comprising cash generated from operations of RMB53.9 million and income tax paid of RMB8.8 million. Cash generated from operating activities reflected a profit before tax of approximately RMB54.9 million, mainly adjusted for the following major items: (i) depreciation of property, plant, and equipment of RMB8.7 million and (ii) provision for impairment of RMB1.0 million. Changes in working capital were primarily attributable to (i) an increase in trade and other receivables of approximately RMB25.3 million and (ii) an increase in trade and other payables of RMB13.9 million.

For the year ended December 31, 2024, Shanghai Celludye had net cash generated from operating activities of approximately RMB82.6 million, primarily comprising cash generated from operations of RMB86.3 million and income tax paid of RMB3.7 million. Cash generated from operating activities reflected a profit before tax of approximately RMB57.4 million, mainly adjusted for the following major items: (i) depreciation of property, plant, and equipment of RMB12.6 million and (ii) fair value gain on financial assets at FVTPL of RMB2.3 million. Changes in working capital were primarily attributable to (i) an increase in trade and other receivables of approximately RMB8.0 million and (ii) an increase in trade and other payables of RMB18.9 million.

For the year ended December 31, 2023, Shanghai Celludye had net cash generated from operating activities of approximately RMB59.7 million, primarily comprising cash generated from operations of RMB66.7 million and income tax paid of RMB7.0 million. Cash generated from operating activities reflected a profit before tax of approximately RMB31.6 million, mainly adjusted for the following major items: (i) depreciation of property, plant, and equipment of RMB12.8 million and (ii) fair value gain on financial assets at FVTPL of RMB2.5 million. Changes in working capital were primarily attributable to (i) a decrease in trade and bills receivables of approximately RMB12.9 million and (ii) an decrease in trade and other payables of RMB4.7 million.

Consolidated Statements of Financial Positions

	As of December 31,		As of August 31,
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	130,029	119,884	113,817
Right-of-use assets	22,620	22,460	22,011
Intangible assets	717	845	765
Deferred tax assets	337	131	348
Other receivables, prepayments and deposits	84	–	–
Total non-current assets	**153,787**	**143,320**	**136,941**
Current assets			
Inventories	46,645	49,562	51,299
Trade and bills receivables	18,021	26,007	50,263
Other receivables, prepayments and deposits	13,873	4,642	4,315
Tax recoverable	1,578	–	–
Financial assets at fair value through profit and loss ("**FVTPL**")	28,447	55,740	70,502
Amount due from a shareholder	2	107	195
Pledged bank deposits	–	19,715	17,636
Cash and cash equivalents	36,166	51,141	160,134
Total current assets	**144,732**	**206,914**	**354,344**
Current liabilities			
Trade and other payables	11,357	29,402	150,279
Amount due to a shareholder	–	546	452
Tax payable	–	1,995	1,301
Bank borrowings	19,056	9,055	–
Lease liabilities	–	158	161
Contract liabilities	146	48	3,354
Deferred income	–	–	1,078
Total current liabilities	**30,559**	**41,204**	**156,625**
Net current assets	**114,173**	**165,710**	**197,719**
Non-current Liabilities			
Bank borrowings	29,434	20,375	100
Deferred income	1,078	1,078	–
Lease liabilities	–	219	139
Total Non-current Liabilities	**30,512**	**21,672**	**239**
Net Assets	**237,448**	**287,358**	**334,421**
Capital and Reserves			
Share capital	42,950	42,950	52,494
Reserves	194,498	244,408	281,927
Total Equity	**237,448**	**287,358**	**334,421**

Net Current Assets

Shanghai Celludye had net current asset positions as of December 31, 2023 and 2024 and August 31, 2025.

Shanghai Celludye's net current assets increased from approximately RMB165.7 million as of December 31, 2024 to RMB197.7 million as of August 31, 2025, primarily driven by a rise in cash and cash equivalents from RMB51.1 million to RMB160.1 million, an increase of RMB109.0 million. This was partially offset by an increase in trade and other payables, which rose from approximately RMB29.4 million to RMB150.3 million, an increase of RMB120.9 million.

Shanghai Celludye's net current assets increased from approximately RMB114.2 million as of December 31, 2023 to RMB165.7 million as of December 31, 2024, primarily driven by a rise in cash and cash equivalents from RMB36.2 million to RMB51.1 million, an increase of RMB15.0 million, and an increase in financial assets at FVTPL from RMB28.4 million to RMB55.7 million, an increase of RMB27.3 million. This was partially offset by an increase in trade and other payables, which rose from approximately RMB11.4 million to RMB29.4 million, an increase of RMB18.0 million.

WORKING CAPITAL SUFFICIENCY

Our Directors confirm that, taking into consideration of the financial resources presently available to us, which is primarily our internal resources and the estimated [**REDACTED**] from the [**REDACTED**], we have sufficient working capital for our present requirements and for at least the next 12 months commencing from the date of this document.

Our Directors are not aware of any other factors that would have a material impact on our Group's liquidity. For more details on the funds necessary to meet our existing operations and to fund our future plans, see "Future Plans and Use of [**REDACTED**]".

CAPITAL EXPENDITURES

During the Track Record Period, our Group incurred capital expenditures of RMB12.0 million, RMB23.6 million and RMB17.9 million for the years ended December 31, 2023, 2024 and 2025, respectively, majority of which are related to the purchase of fixed assets, intangible assets and right-of use assets for leased properties.

CONTRACTUAL AND CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, our Group did not have any significant contractual and capital commitments.

INDEBTEDNESS

Statement of Indebtedness

Our indebtedness during the Track Record Period consisted primarily of lease liabilities and borrowings. The following table sets out a breakdown of our indebtedness as of December 31, 2023, 2024 and 2025.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current liabilities				
Lease liabilities	3,762	6,454	5,629	5,910
Bank borrowings	2,802	–	60,129	60,000
Amount due to related parties (non-trade)	241	1	792	–
	6,805	6,455	66,550	65,910
Non-current liabilities				
Lease liabilities	2,863	13,469	9,776	11,789
Bank borrowings	–	–	140,000	110,099
Put option written to a non-controlling interest	–	–	347,256	349,280
	2,863	13,469	497,032	471,168
Total	9,668	19,924	563,582	537,078

Bank Borrowings

Our bank borrowings amounted to RMB2.8 million, nil and RMB200.1 million as of December 31, 2023, 2024 and 2025, respectively. Our bank borrowings increased from nil as of December 31, 2024 to RMB200.1 million as of December 31, 2025, primarily due to entering into of a bank loan to fund our acquisition of Shanghai Celludye.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. As of March 31, 2026, our Group had unutilized bank borrowing facility of RMB206.4 million.

Lease Liabilities

Our lease liabilities mainly represent the lease payment obligations during the lease terms in relation to our leased properties that are mainly used as our offices and staff dormitory. We recorded lease liabilities of approximately RMB6.6 million, RMB19.9 million and RMB15.4 million as of December 31, 2023, 2024 and 2025 respectively.

Our lease liabilities increased to RMB19.9 million as of December 31, 2024, primarily due to the entering into of new leases for office premises and staff dormitory. Our lease liabilities decreased to RMB15.4 million as of December 31, 2025, resulting from the expiry of certain lease in 2025.

Amounts Due to Related Parties (Non-trade)

For details of our non-trade amounts due to related parties, see "— Description of Certain Items of Consolidated Statements of Financial Position — Amounts due from/(to) related parties" and note 24(b) to the Accountants' Report as set out in Appendix I to this document.

Put Option Written to a Non-controlling Interest

For details of our put option written to a non-controlling interest, see "— Description of Certain Items of Consolidated Statements of Financial Position — Put option written to a non-controlling interest" and note 35 to the Accountants' Report as set out in Appendix I to this document.

Save as disclosed above, we did not have any bank and other loan, or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade notes) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of December 31, 2025 for our indebtedness statement. Our Directors confirm that as of December 31, 2025, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to December 31, 2025. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to December 31, 2025.

Our Directors confirm that there has not been any material change in our indebtedness since December 31, 2025 up to the date of this document.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities.

KEY FINANCIAL RATIOS

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

	For the year ended/As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross profit margin(1)	56.9%	55.6%	54.5%
Net profit margin(2)	33.9%	31.9%	23.8%
Adjusted net profit margin (non-IFRS measure)(3)	33.9%	32.3%	26.0%
Current ratio(4)	5.7	6.8	3.7
Gearing ratio(5)	0.03	0.04	0.3
Return on assets(6)	29.6%	22.2%	4.7%
Return on equity(7)	35.8%	26.4%	10.6%
Revenue growth(8)	35.0%	32.2%	36.0%

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the respective year.

(2) Net profit margin equals net profit divided by revenue for the respective year.

(3) Adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) divided by revenue for the respective year.

(4) Current ratio equals total current assets divided by the total current liabilities as of the respective year end.

(5) Gearing ratio equals total debts, comprising bank borrowings and lease liabilities, divided by the total equity as of the respective year end.

(6) Return on assets is calculated based on the net profit for the year divided by the ending balance of total assets and multiplied by 100%.

(7) Return on equity is calculated based on the net profit for the year divided by the ending balance of total equity and multiplied by 100%.

(8) Revenue growth equals the increase in total revenue for the year divided by total revenue for the previous year and multiplied by 100%.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to market risks from changes in market, such as credit risk, liquidity risk and currency risk.

We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of the risks to which we are exposed, see "Financial Instruments" in note 33 to the Accountants' Report, as set out in Appendix I to this document.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, the total estimated [**REDACTED**] in connection with the [**REDACTED**] (including [**REDACTED**]) are estimated to be HK$[**REDACTED**] (representing approximately [**REDACTED**]% of the estimated gross [**REDACTED**] from the [**REDACTED**]). The [**REDACTED**] include (i) [**REDACTED**] of approximately HK$[**REDACTED**], and (ii) [**REDACTED**] related expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of the legal advisors and reporting accountants of our Company of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**].

During the Track Record Period, we incurred [**REDACTED**] of RMB[**REDACTED**], of which RMB[**REDACTED**] was charged to consolidated statements of profit or loss and comprehensive income and the remaining amount of RMB[**REDACTED**] will be accounted for as a deduction from equity upon successful [**REDACTED**] under the relevant accounting standards. We expect to further incur [**REDACTED**] of RMB[**REDACTED**] by the completion of the [**REDACTED**], of which an estimated amount of RMB[**REDACTED**] will be charged to consolidated statements of profit or loss and comprehensive income and RMB[**REDACTED**] will be accounted for as a deduction from equity upon successful [**REDACTED**]. 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.

DIVIDENDS

After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Directors subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends. We do not have any fixed dividend policy nor pre-determined dividend payout ratio.

During the year ended December 31, 2024, we paid an aggregate dividend of RMB15.0 million to our shareholders. No dividend was paid or declared to the ordinary shareholders of the Company for the years ended December 31, 2023 and December 31, 2025. Subsequent to the end of the Track Record Period, a final dividend in respect of the year ended December 31, 2025 of RMB20.0 million was approved by the shareholders and paid.

As a result of our acquisition of Shanghai Celludye completed on August 31, 2025 and the consolidation of its liabilities into our Group's consolidated financial statements, we recorded dividend payables with a carrying value of RMB40.7 million in 2025. Our Directors confirm that all such dividend payables will be fully settled before [**REDACTED**].

According to the PRC Company Law, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Our Company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained profits of RMB313.1 million, as reserves available for distribution to our equity shareholders.

OFF-BALANCE SHEET ARRANGEMENT

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support for us. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors confirm that the related party transactions set out in note 40 to the Accountants' Report in Appendix I to this document were conducted in the ordinary course of business on arm's length basis and with reference to the normal commercial terms of each party. Our Directors also consider that our related party transactions during the Track Record Period would not affect our results during such year, and would not make our historical results not reflective of our future performance.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

For more details, see the Unaudited [**REDACTED**] Financial information in Appendix II to this document.

RECENT DEVELOPMENT AND NO MATERIAL AND ADVERSE CHANGE

For details of the impact of recent development on our business, operations and financial position, see "Summary — Recent Development and No Material and Adverse Change".

Our Directors have confirmed, after due and careful consideration, that as of the date of this document, there has been no material adverse change in our financial or trading position or prospects of our Group since December 31, 2025, and there is no event since December 31, 2025 that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors 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.