This summary aims to give you an overview of the information contained in this **[REDACTED]** *document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this* **[REDACTED]** *document. You should read the whole* **[REDACTED]** *document including the appendices hereto, which constitute an integral part of this* **[REDACTED]** *document.*

OVERVIEW

Who we are

We are a leading digital energy technology company. Our systematic digital energy technologies framework is built upon a suite of core competencies, including EMT simulation, mechanism-data dual-driven modeling, HIL simulation and frequency-domain stability analysis. Our technologies are centered on new power systems and advanced equipment electrical systems, spanning the full asset lifecycle of planning, design, construction and operation, helping our customers tackle the longstanding industry dilemma of maintaining high reliability under zero-fault-tolerance constraints. According to Frost & Sullivan, we are the largest domestic independent digital energy solution provider in China's new power system industry in 2025.

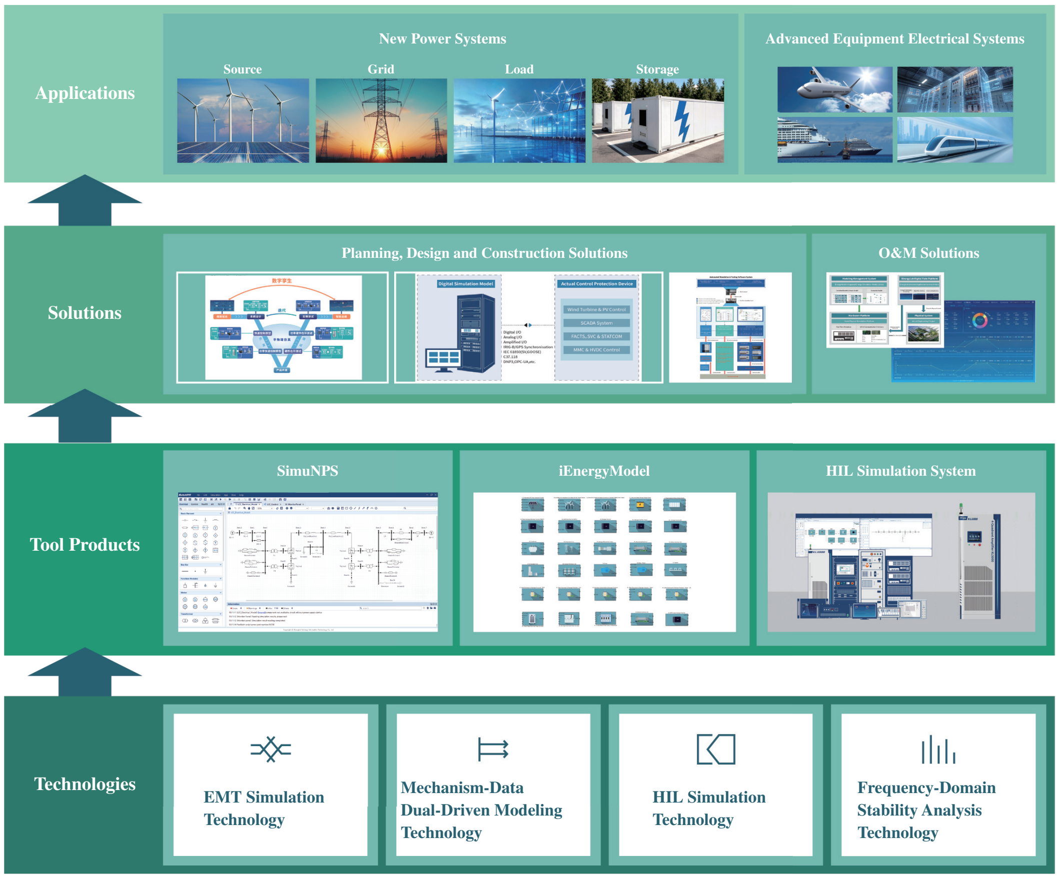
Our tool products and solutions have been widely deployed in (i) new power systems across all segments of the "source-grid-load-and-storage" value chain, referring to power generation (source), transmission and distribution networks (grid), consumption (load) and energy storage (storage); and (ii) advanced equipment electrical systems, including aircraft, marine vessels, and rail transit. These offerings provide indispensable system-level technical support across the full journey of safety-critical, high-complexity systems, enabling their transition from technical blueprints to reality, and from proven deployment to large-scale commercial rollout.

Our core value proposition is driven by our software, modeling, simulation and verification capabilities, and the integrated solutions they enable. Our solutions have been adopted by a broad base of enterprises and, through extensive real-world application, have been refined into referenceable industry methodologies.

Our tool products and customized solutions facilitate the development of new power systems. Through long-term and widespread adoption by our users, our products have become deeply embedded across all segments of new power systems, fostering an industry-wide consensus of "using KeLiang solutions for verification."

Our customers are primarily based in the PRC and span the full spectrum of the energy and power industry. Our key customers include the national-level power grid companies, the two major energy enterprises, and are among the top ten power equipment manufacturers, the top ten power generation groups, as well as the top five global energy storage companies. Our customers also include power plants, third-party testing and certification institutions, as well as leading research and academic institutions such as the national-level and provincial-level electric power research institutes and leading universities, including over 50% of "Project 985" universities.

The following graphic illustrates the architecture of our core technologies, tool products and solutions, and how they support applications across the new power system and the advanced equipment electrical system industries.



Our tool products and solutions

Our tool products and solutions are essential parts of new power systems and advanced equipment electrical systems. We provide full-lifecycle digital infrastructure spanning planning, design, construction and operation, as well as across different system levels, from individual equipment to distribution networks and bulk power grids. We serve customers across all segments of the "source-grid-load-storage" value chain.

Our tool products and solutions portfolio spans from foundational tool products covering software and hardware to comprehensive solutions. As one of the few domestic technology enterprises offering full-lifecycle power system simulation and testing capabilities, we have become a key technology enabler of green energy transition and grid stability. We have built a multi-layered tool products and solutions portfolio, continuously extending our addressable market.

Our tool products

As power systems evolve toward a high penetration of new energy and power electronics, the conventional power system technology framework is increasingly challenged by inadequate simulation tools, low simulation accuracy, slow computation speeds and limited adaptability across application areas. Our simulation capabilities framework is built to address these deficiencies, and our tool products are the foundation of our simulation capabilities, spanning power system solution algorithms, parallel computing technology, HIL simulation platform and simulation analysis and consulting. Our software is at the international forefront of its field, including SimuNPS, our proprietary simulation software that features the world's first fully coupled simulation technology that integrates the time-domain, frequency-domain, information-domain, and multi-energy-domain, according to Frost & Sullivan. For a table setting forth details of our key tool products, SimuNPS, iEnergyModel and HIL Simulation System, including functionalities, customer base, key advantages, see " Business – Overview – Our tool products and solutions."

Our solutions

Our solutions integrate our tool products, built on our core foundational technologies including EMT simulation technology, mechanism-data dual-driven modeling technology and HIL simulation technology. See "Business — Our Technology" for more details. These capabilities, combined with our deep industry know-how, analytical expertise and customized implementation capabilities, built over nearly two decades of focused engagement in the field of digital energy technology, enable us to deliver fully operational, ready-to-use solutions to our customers. Our solutions deliver integrated systems encompassing modeling and simulation, mechanism analysis, solution optimization and strategy formulation.

We design solutions to support different stages of the lifecycle of equipment and power systems: (i) solutions for the planning, design, and construction stages; and (ii) O&M solutions that establish a comprehensive framework for system-level management and control over complex, dynamic power systems. See "Business — Our Business Model — Our solutions" for more details.

Our achievements

Through extensive adoption and real-world deployment across a broad client base, our solutions have become established industry methodologies. As of the Latest Practicable Date, we have participated in all completed VSC-HVDC transmission projects (such as the Zhangbei project, the world's first VSC-HVDC grid project) and most of VSC-HVDC transmission projects under construction in the PRC. We have a proven track record in effectively deploying our tool products and solutions to address real-world broadband oscillation challenges, including a sub-synchronous oscillation incident in Hami, Xinjiang.

Our market opportunities

Both globally and in the PRC, the digital energy solutions market is experiencing sustained growth, driven by increasing demand for full-lifecycle support, higher requirements for system-level verification and long-term operation, continuous advancement of technologies, and growth of downstream application industries.

Growth of downstream application industries. In the new power system industry, continuously growing electricity demand, driven by the accelerating electrification of end-use equipment and the expansion of emerging high-power-consumption sectors such as AIDCs, underpins rising demand for new power system infrastructure and related digital energy solutions. As new capacity is continuously added, grid topology and operating conditions evolve dynamically, increasing overall system complexity and reinforcing the need for continuous refinement of grid models and simulation-based verification frameworks. In the advanced equipment electrical system industry, accelerating electrification and increasing performance requirements of equipment are driving demand for more intelligent electrical systems.

Favorable policy environments. In the new power system industry, the Chinese government has been actively encouraging the development of and sustained capital investment in new power systems, with cumulative grid investment during the 15th Five-Year Plan period expected to exceed RMB5 trillion on the power grid side alone. In the advanced equipment electrical system industry, national policies in China promote large-scale equipment renewal and upgrades, combined with a regulatory shift toward stricter technical standards. Manufacturers are encouraged to continuously upgrade their electrical systems.

Continuous advancement of technologies. Technological advancement has been profoundly enhancing the fidelity, efficiency, and scalability of digital verification solutions, accelerating widespread commercial deployment of digital energy solutions.

Our tool products and solutions are integral to the development of new power systems, and the cumulative know-how, models and data that customers have built on our platform over time reinforce lasting partnerships with our customers. These trends, together with China's leadership in energy system transformation and growing global demand for intelligent digital energy solutions, present us with significant and sustained market opportunities.

Our revenue increased by 16.6% from RMB424.5 million in 2023 to RMB494.9 million in 2024, and further increased by 21.1% to RMB599.6 million in 2025. Our gross profit increased by 14.0% from RMB179.6 million in 2023 to RMB204.8 million in 2024, and further increased by 37.9% to RMB282.3 million in 2025. Our gross margin decreased slightly from 42.3% in 2023 to 41.4% in 2024 but increased to 47.1% in 2025.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from other competitors:

- Industry leadership with a broad and high-quality client base
- A pioneer in the field of digital energy technology possessing differentiated technological advantages
- Experienced R&D team driving our technological advancement
- High customer stickiness and strong brand recognition, creating a self-reinforcing virtuous cycle
- Cross-industry applicability of our technology, models, and analytical expertise
- Management team with deep industry expertise and a proven track record

OUR STRATEGIES

Our vision is to build a comprehensive digital energy technology framework that enables the safe, stable and intelligent operation of new power systems and advanced equipment electrical systems, so as to reshape the way complex power systems are designed, tested, verified and managed, and thereby become a leading company in the field of digital energy technology in China and globally. We are committed to driving the green energy transition and supporting grid stability through high-fidelity simulation, verification and validation capabilities that serve as indispensable tools across the "source-grid-load-storage" value chain. To achieve this long-term vision, we plan to implement the following strategies:

- Execute a three-dimension roadmap to continuously upgrade our value chain positioning
- Continue to invest in R&D to advance and commercialize our tool products and solutions portfolio
- Expand market reach with a customer-centric approach
- Expand into international markets
- Pursue strategic partnerships and investments

OUR TECHNOLOGY

Drawing on extensive field data accumulated from over 1,000 engineering projects, we have developed a full-stack simulation technology framework spanning (i) EMT simulation, (ii) mechanism-data dual-driven modeling, (iii) HIL simulation, and (iv) frequency-domain stability analysis. This framework enables rapid, end-to-end simulation and verification across a wide range of scenarios, from individual equipment to regional power grids, and provides foundational technical support for the digital transformation of new power systems. Our technology underpins our tool products and comprehensive solutions, delivering simulation capabilities that span electric components, equipment and system levels, and has been instrumental in securing major project awards and establishing us as a qualified supplier to leading industry participants.

RESEARCH AND DEVELOPMENT

Research and development is at the core of our business success. We incurred RMB61.5 million, RMB77.7 million and RMB90.8 million of research and development expenses in 2023, 2024 and 2025, respectively, accounting for 14.5%, 15.7% and 15.1% of our total revenue during the same periods. Our experienced R&D team is the driving force behind our research and development efforts. This team focuses on product development, in-depth technical research, and exploration of new technologies, while maintaining rigorous testing and quality assurance processes. As of December 31, 2025, we had a dedicated team of 146 research and development employees, representing 39.5% of our total headcount.

SALES AND MARKETING

Our sales and marketing operations are driven by our dedicated marketing department, which plays a critical role in our commercial success. The department spearheads product marketing, customer development and retention, pre-sales consulting and support, bid organization, and a variety of marketing initiatives. We have established regional marketing teams across key markets to effectively serve a diverse range of customers to grow our customer base in alignment with our growth strategy.

As of December 31, 2025, we had 41 employees in the sales and marketing function, strategically located in Shanghai, Beijing, Changsha and Xi'an to ensure proximity to key customer markets and facilitate efficient customer service. Our sales and marketing personnel possess deep industry knowledge and technical expertise, enabling them to effectively communicate the value proposition of our tool products and solutions to prospective customers. We provide ongoing training programs to our sales team to enhance their product knowledge, sales skills, and understanding of evolving market trends.

COMPETITION

We operate in China's digital energy solutions market, which is characterized by high barriers in light of technological complexity, requirements for accumulated industry expertise and a limited pool of qualified talent. As a result, new entrants find it difficult to disrupt the existing landscape in the short term.

We primarily compete with non-independent providers and independent providers in China. These market participants typically possess varying strengths in aspects such as technological development, customer resources, brand recognition and financial capacity. We believe that we are well positioned to compete effectively in this highly specialized and technically demanding market, supported by our nearly two decades of industry experience, proprietary full-stack simulation technologies, continuously expanding model library, high level of customer stickiness and established brand recognition.

For more information of the competitive landscape of our industries, see "Industry Overview." Additionally, some of our current or future competitors may be able to develop solutions better accepted by customers or respond more quickly and effectively than we can to new or changing opportunities, technologies or regulations. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to compete effectively, our business and growth prospects may be materially and adversely affected."

OUR CUSTOMERS AND SUPPLIERS

Our customers

Our customers consist of a broad base of enterprises in the new power system industry, including power grid companies and their affiliated electric power and energy research institutes and electrical equipment manufacturers, as well as advanced equipment manufacturers (including aircraft, marine vessels, and rail transit). We also serve leading universities, research institutions, and power testing laboratories. Substantially all of our products and solutions are sold within the PRC, with a small portion sold in Hong Kong. We continuously analyze customer dynamics and market demands in key sectors to identify new opportunities across industries, which allows us to expand the use cases of our solutions, thereby broadening our customer base. For each year ended December 31, 2023, 2024 and 2025, revenue from our five largest customers was RMB216.6 million, RMB230.2 million, and RMB330.1 million, accounting for 51.0%, 46.5%, and 55.1% of our total revenue, respectively.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. None of our Directors, their respective associates or any of our Shareholder who, to the knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers in each year during the Track Record Period.

Our suppliers

Our procurement primarily comprises purchases of software and hardware components, including printed circuit boards (PCBs), industrial personal computers (IPCs), and power modules. During the Track Record Period and up to the Latest Practicable Date, our major suppliers were based in Canada, the PRC and Germany. For each year ended December 31, 2023, 2024 and 2025, costs related to our five largest suppliers were RMB147.7 million, RMB173.8 million, and RMB209.9 million, accounting for 63.7%, 60.5%, and 62.1% of our total purchase amount, respectively.

To the best of our knowledge, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. None of our Directors, their respective associates or any of our Shareholder who, to the knowledge of such Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Overlapping of customers and suppliers

During the Track Record Period, we had overlapping customer-suppliers, where an entity and/or its subsidiary(ies) was both (i) one of our five largest customers in any period and also a supplier, or (ii) one of our five largest suppliers in any period and also a customer. Such overlapping arose primarily due to the common industry practice of mutual procurement among industry participants, where transactions with the same counterparty may involve different products, services or business functions.

We consider the overlapping of our customers and suppliers to be normal in the course of our business operations. In particular, none of the overlapping customers/suppliers simultaneously ranked among our five largest customers and five largest suppliers during any year of the Track Record Period. Where an overlapping party was one of our five largest customers in a given year, the transaction amount attributable to such party as a supplier was minimal, and vice versa.

Negotiations of the terms of our sales to and purchases from this overlapping customer/supplier were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. All of our sales to and purchases from this overlapping customer/supplier were conducted in the ordinary course of business under normal commercial terms and in arm's length transactions. For more details, please see "Business — Overlapping of Customers and Suppliers."

RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to **[REDACTED]** in us and/or the value of your **[REDACTED]**. See the section headed "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an **[REDACTED]** in our Shares. In any such case, the market price of our Shares could decline, and you may lose all or part of your **[REDACTED]**. Some of the major risks we face include:

- We rely on the performance, reliability and market acceptance of our self-developed core technologies, tool products and solutions. Any defects, failures or security vulnerabilities in such technologies could materially and adversely affect our business, and they require continuous upgrades to remain competitive.

- We invest significantly in research and development, and to the extent our research and development efforts do not yield the benefits we expect, our competitive position would be negatively impacted and our business, results of operations, and financial condition may be materially and adversely affected.

- We generally provide our tool products and solutions to customers on a contract basis and are therefore exposed to business uncertainties that may result in fluctuations in our revenue and gross profit margin from time to time.

- We may not be successful in the tender processes for potential projects and our business and financial condition may be adversely affected.

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Mr. Sang, together with Shanghai Keyi, Shanghai Kebing, Shanghai Keshan and Shanghai Kerong, each an Employee Incentive Platform and a limited partnership of which Mr. Sang is the general partner, will be entitled to exercise approximately **[REDACTED]**% of the voting rights in our Company and will be our Controlling Shareholders upon the **[REDACTED]**. See "Relationship with Our Controlling Shareholders" for further details.

PRE-[REDACTED] INVESTORS

Up to the Latest Practicable Date, we underwent several rounds of Pre-**[REDACTED]** Investments. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I. The summary financial data set forth below should be read together with our Consolidated Financial Statements and the related notes, as well as the section headed "Financial Information."

Summary consolidated statements of profit or loss and other comprehensive income

The following table sets forth our statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	424,508	494,923	599,552
Cost of sales	(244,869)	(290,135)	(317,225)
Gross profit	179,639	204,788	282,327
Other income and gains	2,720	4,712	10,118
Selling and marketing expenses	(39,672)	(46,069)	(50,386)
Administrative expenses	(45,351)	(44,475)	(54,587)
Research and development expenses	(61,548)	(77,740)	(90,793)
(Impairment losses)/reversal of impairment losses on financial and contract assets, net.	(6,241)	(9,850)	2,782
Other expenses and losses	(478)	(1,915)	(2,188)
Finance costs	(1,537)	(2,860)	(2,760)
PROFIT BEFORE TAX	27,532	26,591	94,513
Income tax credit/(expense)	1,208	(457)	(1,482)
PROFIT FOR THE YEAR	28,740	26,134	93,031

Revenue

During the Track Record Period, we generated revenue from (i) tool products and solutions; and (ii) technology services, mainly comprising training services and maintenance services.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Types of goods or services						
Tool products and solutions	415,769	97.9	486,182	98.2	590,871	98.6
New power systems	317,367	74.8	356,215	72.0	507,985	84.7
Advanced equipment electrical systems	98,402	23.1	129,967	26.2	82,886	13.9
Technology services	8,739	2.1	8,741	1.8	8,681	1.4
Total	**424,508**	**100.0**	**494,923**	**100.0**	**599,552**	**100.0**

The following table sets forth a geographical breakdown of our revenue based on the locations of customers for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Chinese mainland	420,108	99.0	491,913	99.4	597,460	99.7
Others	4,400	1.0	3,010	0.6	2,092	0.3
Total	**424,508**	**100.0**	**494,923**	**100.0**	**599,552**	**100.0**

Substantially all of our revenue was derived from Chinese mainland, with no more than 1.0% generated from outside Chinese mainland, including Hong Kong, in each year during the Track Record Period.

Cost of sales

During the Track Record Period, our cost of sales consisted of (i) material costs, primarily comprising purchases of software and hardware components; (ii) staff costs; (iii) warranty; (iv) taxes and surcharges; (v) transportation costs; (vi) depreciation and amortization; and (vii) others, including travel expenses and other miscellaneous expenses.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Material costs	210,920	86.1	247,635	85.4	277,845	87.6
Staff costs	21,010	8.6	26,889	9.3	19,174	6.0
Warranty	6,368	2.6	7,424	2.6	8,993	2.8
Taxes and surcharges	2,065	0.8	2,858	1.0	3,954	1.2
Transportation costs	1,521	0.6	1,448	0.5	1,176	0.5
Depreciation and amortization	1,454	0.6	1,924	0.6	3,005	0.9
Others	1,531	0.7	1,957	0.6	3,078	1.0
Total	**244,869**	**100.0**	**290,135**	**100.0**	**317,225**	**100.0**

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Types of goods or services						
Tool products and solutions	240,629	98.3	286,570	98.8	314,168	99.0
New power systems	163,224	66.7	187,694	64.7	256,817	81.0
Advanced equipment electrical systems	77,405	31.6	98,876	34.1	57,351	18.0
Technology services	4,240	1.7	3,565	1.2	3,057	1.0
Total	**244,869**	**100.0**	**290,135**	**100.0**	**317,225**	**100.0**

Gross profit and gross profit margin

Gross profit represents revenue less cost of sales, and gross profit margin represents gross profit as a percentage of our revenue. The following table sets forth our gross profit and gross profit margin by business lines for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Types of goods or services						
Tool products and solutions	175,140	42.1	199,612	41.1	276,703	46.8
New power systems	154,143	48.6	168,521	47.3	251,168	49.4
Advanced equipment electrical systems	20,997	21.3	31,091	23.9	25,535	30.8
Technology services	4,499	51.5	5,176	59.2	5,624	64.8
Total	**179,639**	**42.3**	**204,788**	**41.4**	**282,327**	**47.1**

Summary of major line items from consolidated statements of financial position

The following table sets forth selected information from our statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report set out in Appendix I to this document:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	173,902	174,674	199,025
Total current assets	505,194	548,490	673,392
Total assets	**679,096**	**723,164**	**872,417**
Total current liabilities	150,602	164,208	206,342
Total non-current liabilities	64,194	63,525	63,651
Total liabilities	**214,796**	**227,733**	**269,993**
Net current assets	**354,592**	**384,282**	**467,050**
Net assets	**464,300**	**495,431**	**602,424**
Share capital	32,245	32,245	32,245
Reserves	432,055	463,186	570,179
Total equity	**464,300**	**495,431**	**602,424**

Our net assets increased from RMB464.3 million as of December 31, 2023 to RMB495.4 million as of December 31, 2024, primarily due to our profit for the year of RMB26.1 million, and the increase of equity investments designated at fair value through other comprehensive income of RMB0.6 million.

Our net assets further increased from RMB495.4 million as of December 31, 2024 to RMB602.4 million as of December 31, 2025, primarily due to our profit for the year of RMB93.0 million, and the increase of equity investments designated at fair value through other comprehensive income of RMB12.8 million.

Current assets and current liabilities

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Current assets				
Inventories	77,027	98,010	137,190	150,076
Trade and bills receivables	161,147	200,386	255,499	191,268
Contract assets	11,264	18,251	22,496	22,922
Prepayments, other receivables and other assets	22,541	19,089	19,552	20,470
Financial assets at fair value through profit or loss	4,526	139,060	152,948	134,707
Restricted cash	1,316	5,976	7,843	6,315
Cash and cash equivalents	227,373	67,718	77,864	98,043
Total current assets	**505,194**	**548,490**	**673,392**	**623,801**
Current liabilities				
Trade payables	39,185	48,901	61,218	31,532
Other payables and accruals	46,136	41,941	65,387	32,480
Contract liabilities	55,993	57,840	64,189	75,474
Lease liabilities	4,435	7,642	8,638	8,754
Tax payable	1,051	3,404	1,148	57
Provision	3,802	4,480	5,762	6,080
Total current liabilities	**150,602**	**164,208**	**206,342**	**154,377**
Net current assets	**354,592**	**384,282**	**467,050**	**469,424**

Summary financial data from consolidated statements of cash flows

The following table sets forth selected cash flow data from our cash flow statements for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows generated from/(used in) operating activities	25,493	(14,581)	60,857
Net cash flows generated from/(used in) investing activities	7,304	(136,219)	(38,906)
Net cash flows generated from/(used in) financing activities	132,560	(8,663)	(11,154)
Net increase/(decrease) in cash and cash equivalents	**165,357**	**(159,463)**	**10,797**
Cash and cash equivalents at beginning of year	62,197	227,373	67,718
Effect of foreign exchange rate changes, net	(181)	(192)	(651)
Cash and cash equivalents at end of year	**227,373**	**67,718**	**77,864**

Net cash flows generated from/(used in) operating activities

For 2025, we had net cash flows generated from operating activities of RMB60.9 million. We had operating cash inflow before movements in working capital of RMB114.4 million, primarily consisting of profit before tax of RMB94.5 million, as adjusted for (i) depreciation of right-of-use assets of RMB8.9 million, (ii) depreciation of property, plant and equipment of RMB6.1 million, (iii) equity-settled share-based payment expenses of RMB4.4 million, (iv) finance costs of RMB2.8 million, (v) foreign exchange differences, net of RMB1.5 million, and (vi) amortization of intangible assets of RMB0.9 million, partially offset by (vii) reversal of impairment of trade receivables, net of RMB2.8 million and (viii) fair value gains on financial assets at fair value through profit or loss of RMB1.5 million. Movements in working capital resulted in a net cash outflow, mainly due to (i) an increase in trade and bills receivables of RMB52.4 million, (ii) an increase in inventories of RMB38.2 million, (iii) an increase in prepayments, other receivables and other assets of RMB3.0 million, and (iv) an increase in restricted cash of RMB1.9 million, partially offset by (v) an increase in other payables and accruals of RMB25.7 million, (vi) an increase in trade payables of RMB11.5 million, (vii) an increase in contract liabilities of RMB6.3 million, and (viii) an increase in provision of RMB3.0 million.

For 2024, we had net cash flows used in operating activities of RMB14.6 million. We had operating cash inflow before movements in working capital of RMB59.7 million, primarily consisting of profit before tax of RMB26.6 million, as adjusted for (i) impairment of trade receivables, net of RMB9.5 million, (ii) depreciation of right-of-use assets of RMB8.4 million, (iii) depreciation of property, plant and equipment of RMB5.7 million, (iv) equity-settled share-based payment expenses of RMB4.5 million, (v) finance costs of RMB2.9 million, (vi) foreign exchange differences, net of RMB1.9 million, (vii) write-down of inventories to net realizable value of RMB1.0 million, and (viii) amortization of intangible assets of RMB0.9 million, partially offset by (ix) fair value gains on financial assets at fair value through profit or loss of RMB1.2 million. Movements in working capital resulted in a net cash outflow, mainly due to (i) an increase in trade and bills receivables of RMB48.8 million, (ii) an increase in inventories of RMB22.0 million, (iii) an increase in contract assets of RMB8.3 million, (iv) an increase in restricted cash of RMB4.7 million, (v) a decrease in other payables and accruals of RMB1.4 million, and (vi) a decrease in provision of RMB0.5 million, partially offset by (vii) an increase in trade payables of RMB8.1 million, (viii) an increase in contract liabilities of RMB1.8 million, and (ix) a decrease in prepayments, other receivables and other assets of RMB1.1 million.

For 2023, we had net cash flows generated from operating activities of RMB25.5 million. We had operating cash inflow before movements in working capital of RMB51.2 million, primarily consisting of profit before tax of RMB27.5 million, as adjusted for (i) depreciation of right-of-use assets of RMB8.0 million, (ii) impairment of trade receivables, net of RMB5.3 million, (iii) depreciation of property, plant and equipment of RMB3.9 million, (iv) write-down of inventories to net realizable value of RMB2.1 million, (v) finance costs of RMB1.5 million, (vi) equity-settled share-based payment expenses of RMB0.9 million, (vii) impairment of contract assets, net of RMB0.9 million, and (viii) amortization of intangible assets of RMB0.7 million. Movements in working capital resulted in a net cash outflow, mainly due to (i) an increase in trade and bills receivables of RMB42.2 million, (ii) an increase in contract assets of RMB11.7 million, (iii) an increase in inventories of RMB15.9 million, and (iv) an increase in prepayments, other receivables and other assets of RMB6.5 million, partially offset by (v) an increase in contract liabilities of RMB28.8 million, (vi) an increase in other payables and accruals of RMB18.9 million, (vii) an increase in trade payables of RMB1.3 million, and (viii) an increase in provision of RMB1.7 million.

Net cash flows (used in)/generated from investing activities

For 2025, we had net cash flows used in investing activities of RMB38.9 million. This net cash outflow was primarily due to (i) purchases of financial assets at fair value through profit or loss of RMB345.2 million, (ii) placement of non-pledged time deposits with original maturity of more than three months when acquired of RMB20.0 million, and (iii) purchases of items of property, plant and equipment of RMB7.0 million, partially offset by (iv) proceeds from disposal of financial assets at fair value through profit or loss of RMB333.4 million.

For 2024, we had net cash flows used in investing activities of RMB136.2 million. This net cash outflow was primarily due to (i) purchases of financial assets at fair value through profit or loss of RMB330.4 million, (ii) purchases of items of property, plant and equipment of RMB2.5 million, and (iii) additions to other intangible assets of RMB0.7 million, partially offset by (iv) proceeds from disposal of financial assets at fair value through profit or loss of RMB197.4 million.

For 2023, we had net cash flows generated from investing activities of RMB7.3 million. This net cash inflow was primarily due to (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB65.2 million, partially offset by (ii) purchases of financial assets at fair value through profit or loss of RMB35.0 million, (iii) purchases of items of property, plant and equipment of RMB21.7 million, and (iv) additions to other intangible assets of RMB1.2 million.

Net cash flows (used in)/generated from financing activities

For 2025, we had net cash flows used in financing activities of RMB11.2 million. This net cash outflow was primarily due to (i) principal portion of lease payments of RMB8.4 million and (ii) interest paid for lease payments of RMB2.8 million.

For 2024, we had net cash flows used in financing activities of RMB8.7 million. This net cash outflow was primarily due to (i) payments of principal portion of lease of RMB5.8 million and (ii) interest paid for lease payments of RMB2.9 million.

For 2023, we had net cash flows generated from financing activities of RMB132.6 million. This net cash inflow was primarily due to (i) capital injection by shareholders of RMB141.7 million, partially offset by (ii) payments of principal portion of lease of RMB7.6 million and (iii) interest paid for lease payments of RMB1.5 million.

Working capital sufficiency

Taking into account our operating cash flow, the net **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, in the absence of unforeseeable circumstances, our Directors are of the view, and the Sole Sponsor concurs with our Directors that, we have sufficient working capital for our present requirements, for at least 12 months from the date of this document.

Key financial ratios

The following table sets forth our certain selected financial ratios as of the date or for the period indicated:

	Year ended December 31,		
	2023	2024	2025
Current ratio(1)	3.4	3.3	3.3
Quick ratio(2)	2.8	2.7	2.6

Notes:

(1) Calculated as total current assets divided by total current liabilities.

(2) Calculated as total current assets (less inventories) divided by total current liabilities.

[REDACTED]

Notes:

(1) The calculation of **[REDACTED]** is based on **[REDACTED]** Shares expected to be in **[REDACTED]**immediately upon completion of the **[REDACTED]**.

(2) The unaudited **[REDACTED]** adjusted net tangible asset per Share as of December 31, 2025 is calculated after making the adjustments referred to in Appendix II.

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

DIVIDEND

We did not declare or pay dividends on our Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. Our Board of Directors has complete discretion as to whether to distribute dividends, subject to certain restrictions under PRC law. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board of Directors. Even if our Board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board of Directors. Currently, we do not have any dividend policy or intention to declare or pay any dividends in the near future. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of our Company and may make provision for losses. Investors should not purchase our Shares with the expectation of receiving cash dividends.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]**, and other fees incurred in connection with the **[REDACTED]**. The estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]** million, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]** from the **[REDACTED]**. The estimated total **[REDACTED]** consist of (i) **[REDACTED]**-related expenses (including but not limited to **[REDACTED]** and fees) of approximately HK$**[REDACTED]** million, and (ii) non-**[REDACTED]** related expenses of approximately HK$**[REDACTED]** million, which consist of fees and expenses of Sole Sponsor, legal advisors and Reporting Accountants of approximately HK$**[REDACTED]** million, and other fees and expenses of HK$**[REDACTED]** million. We recorded **[REDACTED]** of **[REDACTED]**, **[REDACTED]** and **[REDACTED]** in 2023, 2024 and 2025, respectively. Subsequent to December 31, 2025, approximately HK$**[REDACTED]** million of the estimated total **[REDACTED]** is directly attributable to the **[REDACTED]** of **[REDACTED]** to the **[REDACTED]** and will be accounted for as a deduction from equity upon completion of the **[REDACTED]**; approximately HK$**[REDACTED]** million is expected to be charged in profit or loss before or upon completion of the **[REDACTED]**. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The **[REDACTED]** above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

[REDACTED]

Assuming the **[REDACTED]** is not exercised and based on an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** stated in this document), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**) from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expense paid and payable by us in connection with the **[REDACTED]**.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for continuous R&D of our technologies and tool products and solutions. Specifically, we intend to expand and strengthen our R&D team, procure and upgrade the hardware, software and ancillary equipment in relation to our R&D activities and set up additional laboratory premises.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for development of our customer service networks in China and overseas and carrying out sales and marketing activities. Specifically, we intend to enlarge our sales and management team in China and overseas, participate in sales and marketing activities, industry conferences and exhibitions and set up additional customer service centers both in China and overseas.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for potential investment and acquisition opportunities. We intend to identify, research and evaluate potential investment and acquisition opportunities and pursue equity investments, acquisitions, strategic cooperation arrangements or other commercially appropriate forms of investment in businesses that enhance our business position.

- Approximately **[REDACTED]**%, or HK$**[REDACTED]**, will be used for working capital and other general corporate purposes. These funds will be utilized to support our daily operations, covering operational needs such as business expansion, administrative expenses and cost advances, with a view to optimizing cash flow stability.

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

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no significant event since December 31, 2025 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this document.