This summary aims to give you an overview of the information contained in this document. As it 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 in conjunction with, the full text of this document. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a leading DRAM[(1)] chip design company in China. Leveraging our technological expertise, industry partnerships and comprehensive product portfolio, we have built a broad customer base and achieved large-scale commercialization of our products and solutions. In 2025, we sold over 100 million memory chips (including chips contained in modules and wafers). The DRAM market is generally divided into mainstream and niche segments. We focus on the niche segment, which includes 8Gb DDR4 and older generation products. Mainstream DRAM, typically characterized by its large capacity and high speed, is mainly used in standardized devices like smartphones and PCs. In contrast, niche DRAM is developed based on mature technologies and often have lower performance demands, serving specialized applications with more stable market share, accounting for approximately 7.0% of the global DRAM market and 12.3% of the Chinese DRAM market in terms of sales revenue in 2025. According to Frost & Sullivan, in terms of niche DRAM revenue in 2025, we ranked fifth among Chinese companies and fourth among Chinese fabless companies in the global niche DRAM market and 12th among all players in the global niche DRAM market. We have developed expertise in Wafer-on-Wafer 3D heterogeneous integration technology and are advancing toward achieving mass production of high bandwidth memory products.

We are committed to developing high-bandwidth, low-power, and highly reliable memory solutions. Our product lineup spans multiple generations of DRAM memory types, offering comprehensive system-level memory solutions that are widely applicable in consumer electronics, network communications, automotive electronics, energy and industrial control systems. We are strategically focused on high-bandwidth and high-performance products to meet diverse market demands across various sectors. Through our independent R&D, we have developed expertise in high-bandwidth memory products. We maintain long-term partnerships with PSMC, a globally renowned wafer foundry, and have established collaborations with ADATA and Ramaxel, two of the world's top 10 DRAM module manufacturers according to Frost & Sullivan, ensuring a stable and robust supply chain. Leveraging our international R&D and sales teams, along with our Zentel brand inherited from Zentel Japan, which boasts over 20 years of history, we have developed business relationships with premium customers worldwide, enabling us to rapidly expand our customer network and tap into vast market opportunities.

Benefiting from the recent rapid expansion of the global and Chinese memory chip and AI computing industries, we have experienced a continuous improvement in the sales of our major products. During the Track Record Period, the total storage capacity of our products sold grew from approximately 29.3 million GB in 2023 to approximately 54.3 million GB in 2025, representing a CAGR of 36.1%.

Note:

(1) "DRAM" stands for dynamic random-access memory, a type of random-access memory that requires periodic refreshing to maintain the stored information.

OUR BUSINESS MODEL

We are primarily engaged in the design and sales of DRAM products. We offer a complete suite of memory solutions encompassing (a) DRAM chips, (b) DRAM modules and (c) DRAM KGD wafers, which are widely applicable in consumer electronics, network communications, automotive electronics, energy and industrial control systems. Our DRAM chips are independently designed, which are manufactured by our production partner and subject to rigorous packaging and testing processes, making them ideal for broad applications in both commercial and industrial sectors. Our DRAM modules are crafted by integrating memory chips with PCB using advanced packaging technologies. They are widely used in high-end computing products, including industrial PCs and enterprise servers. Our DRAM KGD wafer is a thin silicon wafer on which multiple DRAM dies are fabricated and rigorously tested. Our customized DRAM KGD wafer solutions are tailored to meet the needs of SoC manufacturers.

We operate under a fabless model, where we collaborate with third-party semiconductor foundries with manufacturing capabilities, which handle the fabrication, testing, and packaging of semiconductor components based on our design specifications and requirements. This approach allows us to concentrate on our core competencies in innovation and product design, while leveraging the specialized expertise of industry-leading manufacturers for wafer fabrication, packaging, and testing. PSMC serves as our main foundry partner, while leading OSAT companies including FATC and ChipMOS provide packaging, testing and assembly services. See also "Business — Our Business Model" for a diagram of our business model.

In terms of sales and marketing strategy, we employ a combination of direct sales and distributorship model with sales through distributorship contributing the majority of our revenue. During the Track Record Period, revenue from distributors amounted to RMB402.9 million, RMB421.4 million and RMB642.1 million, representing 69.4%, 65.2% and 58.1% of our total revenue for the respective periods; revenue from direct sales amounted to RMB177.4 million, RMB225.0 million and RMB462.8 million, respectively, representing 30.6%, 34.8% and 41.9% of our total revenue for the respective periods. Our key customers include (a) distributors principally engaged in the trading of electronic components and (b) direct sales customers principally engaged in the IT application innovation business. We apply strict quality control standards and have implemented various quality control checks to ensure that our products meet our customers' expectations and international and industry standards. We also require our business partners to apply their stringent quality control standards and meet our internal requirements.

OUR COMPETITIVE STRENGTHS

We believe our following core competitive strengths will allow us to further consolidate our market leading position: (a) we are a leading DRAM chip design company in China with vast future growth potential; (b) our multi-center R&D platform and long-term technological expertise have established a mature leadership position in technology; (c) we offer comprehensive memory solutions to meet diverse customer needs; (d) we build scalable commercial capabilities through long-term and stable ecosystem partnerships; (e) we boast a world-class customer portfolio and continue to expand our presence in international markets; and (f) our management and core team possess profound technical expertise and extensive industry experience.

OUR DEVELOPMENT STRATEGIES

We intend to pursue the following strategies: (a) we will continuously focus on technological innovation to lead transformation in global DRAM and memory-computing solutions; (b) we will expand our product portfolio and strengthen our customization and independent development; (c) we will selectively pursue strategic collaboration, investment and acquisition opportunities to integrate industry resources; and (d) we will relentlessly implement our global strategy.

OUR PRODUCTS AND SOLUTIONS

Our product portfolio includes DRAM chips, DRAM modules, and DRAM KGD wafers, all of which have contributed to our historical success and are poised to capture significant market opportunities in the future. In particular:

DRAM Chips: Our independently designed DRAM chips undergo rigorous packaging and testing, making them ideal for embedded systems with broad applications in both commercial and industrial sectors. Commercial-grade DRAM chips are primarily used in consumer electronics and network communications, such as robots, smart speakers, and Wi-Fi devices, while industrial-grade memory chips are tailored for demanding industrial control applications, particularly those requiring high reliability in extreme temperature environments. These chips ensure stability and longevity under extreme operating conditions. During the Track Record Period, revenue from commercial-grade DRAM chips accounted for approximately 97.7%, 97.6% and 96.6% of our total revenue from DRAM chips, respectively, while revenue from industrial-grade DRAM chips accounted for approximately 2.3%, 2.4% and 3.4% of our total revenue from DRAM chips, respectively.

DRAM Modules: Our DRAM modules are crafted by integrating memory chips with PCB using advanced packaging technologies. They are widely used in high-end computing products, including industrial PCs and enterprise servers. Through efficient packaging and modular design, our DRAM modules deliver exceptional performance and stability, meeting stringent requirements for storage density, speed, and reliability across diverse application scenarios.

DRAM KGD Wafers: We provide customized DRAM KGD wafers primarily for SoC manufacturers. During the chip design phase, we conduct precise wafer testing tailored to customer specifications and deliver qualified wafers to downstream manufacturers for further packaging and processing. Through deep collaboration with customers, our wafers consistently meet their high technical standards.

OUR CUSTOMERS AND SUPPLIERS

The industries which our customers operate in include consumer electronics, network communications, automotive electronics, energy and industrial control equipment. Revenue generated from our top five customers in each year/period during the three years ended December 31, 2025 amounted to approximately RMB387.6 million, RMB336.1 million and RMB479.2 million, representing approximately 66.8%, 52.0% and 43.4% of our total revenue for the respective year/period. Our major suppliers are (i) our production partners including (a) wafer fabrication service provider and (b) packaging and testing service providers, as well as (ii) the suppliers of other raw materials. The purchases from our top five suppliers in each year/period during the three years ended December 31, 2025 amounted to approximately RMB475.9 million, RMB451.1 million and RMB754.2 million, representing approximately 88.6%, 76.2% and 68.7% of our total purchase amount for the respective year/period. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers or suppliers (except for PSMC) in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

OUR R&D ACHIEVEMENTS

We have consistently demonstrated our ability to innovate and iterate technology, driving advancements in product performance, customization, and R&D efficiency. Key examples that highlight how our iterative technological advancements have led to significant breakthroughs in product design, customization, and development efficiency include: (i) enhancing product performance through design improvements, (ii) meeting customization needs through technical adaptation, and (iii) improving R&D efficiency through technological accumulation. Our innovation capabilities have garnered widespread recognition and respect both domestically and internationally. In 2025, we were designated as a National-Level Specialized and Sophisticated Key "Little Giant" Enterprise (國家級專精特新重點「小巨人」企業).

OUR RELATIONSHIP WITH PSMC

We relied on PSMC, our main foundry partner, for the production of DRAM wafers during the Track Record Period. The cost of sales attributable to PSMC (including the cost of sales attributable to the purchase from PSMC through AP Memory) during the Track Record Period amounted to RMB336.4 million, RMB258.3 million and RMB282.8 million, accounting for 63.5%, 46.0% and 25.8% of our total cost of sales in the respective periods.

In the typical collaboration model between fabless companies and foundries, a single foundry is usually responsible for the entire wafer fabrication and associated foundry services. According to Frost & Sullivan, there are only a limited number of foundries worldwide, which are currently capable of providing comprehensive DRAM wafer fabrication and foundry services.

As our main foundry supplier during the Track Record Period, PSMC was responsible for the performance of the majority of wafer fabrication and associated foundry services. The wafer fabrication and associated foundry services provided by PSMC include wafer loading, oxidation, pattern generation, photo resist (PR) coating, lithography exposure, PR development, thin film pattern etching, PR stripping and wafer acceptance testing.

COMPETITION

We primarily compete against global and local DRAM chip design companies adopting similar fabless model as ours. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. We have significant in-house capabilities across critical areas of DRAM chip design and testing and are increasing spending in R&D in key areas. We offer a comprehensive range of DRAM products to meet diverse customer needs in various segments. We continue to enhance our existing product portfolio, including the continuous iteration of our DRAM chip offerings, as well as the development of high-bandwidth memory products. We have also established strong, long-term relationships with fabrication foundries and packaging and testing service providers. We have demonstrated strong market competitiveness among mainland Chinese companies in the global niche DRAM market. According to Frost & Sullivan, in terms of niche DRAM revenue in 2025, we ranked fifth among Chinese companies and fourth among Chinese fabless companies in the global niche DRAM market.

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 to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Revenue	580,346	100.0	646,401	100.0	1,104,889	100.0
Cost of sales						
Cost of sales of goods and services	(529,458)	(91.2)	(562,092)	(87.0)	(929,944)	(84.2)
(Impairment losses)/reversal of impairment losses on inventories	(29,684)	(5.1)	(24,026)	(3.7)	3,004	0.3
Gross profit	21,204	3.7	60,283	9.3	177,949	16.1
Other income and gains[(2)]	2,470	0.4	15,286	2.4	8,107	0.7
Selling and marketing expenses	(32,430)	(5.6)	(40,609)	(6.3)	(27,852)	(2.5)
Administrative expenses[(1)]	(153,196)	(26.4)	(42,548)	(6.6)	(62,374)	(5.6)
Research and development expenses	(77,242)	(13.3)	(95,762)	(14.8)	(102,126)	(9.2)
Other expenses	(1,644)	(0.3)	(84)	(0.0)	(2,924)	(0.3)
(Impairment losses)/reversal of impairment losses on financial assets, net	(356)	(0.1)	(1,199)	(0.2)	701	0.1
Finance costs	(4,030)	(0.7)	(5,205)	(0.8)	(2,594)	(0.2)
Loss before tax	**(245,224)**	**(42.3)**	**(109,838)**	**(17.0)**	**(11,113)**	**(1.0)**
Income tax credit	916	0.2	933	0.1	576	0.1
Loss for the year	**(244,308)**	**(42.1)**	**(108,905)**	**(16.8)**	**(10,537)**	**(1.0)**

Notes:

(1) Our administrative expenses decreased substantially from 2023 to 2024, primarily due to the decrease in share-based payment expenses from RMB135.0 million in 2023 to RMB17.3 million in 2024.

(2) Our other income and gains increased substantially from 2023 to 2024 primarily attributable to an increase in foreign exchange gain and an increase in government grants.

NON-IFRS MEASURE

To supplement our consolidated financial statements presented in accordance with IFRS, we also use a non-IFRS measure, namely adjusted net profit/loss (non-IFRS measure), as an additional financial measure, which is not required by or presented in accordance with IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit/loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRS.

We define adjusted net profit/loss (non-IFRS measure) as loss excluding the effects of share-based payment expenses and [**REDACTED**] expenses. Share-based payment expenses are non-cash in nature and are employee related expenses arising from grant of shares under our employee incentive scheme. We also exclude [**REDACTED**] expenses with respect to the [**REDACTED**]. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of net loss to adjusted net profit/loss (non-IFRS measure) for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(244,308)**	**(108,905)**	**(10,537)**
Add:			
Share-based payment expenses	151,145	56,095	17,305
[**REDACTED**] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit/loss (non-IFRS measure)	**(93,163)**	**(52,810)**	**26,090**

We incurred net losses of RMB244.3 million, RMB108.9 million and RMB10.5 million, respectively, in 2023, 2024 and 2025. Our net loss decreased from RMB224.3 million in 2023 to RMB108.9 million in 2024 partially due to the share-based payment expenses incurred in 2023. Our net loss further decreased from RMB108.9 million in 2024 to RMB10.5 million in 2025, mainly attributable to the increase in our revenue and gross profit in 2025 further driven by our business growth.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	**2024**	**2025**
		(RMB in thousands)	
Non-current assets	115,750	120,123	124,777
Current assets	332,178	316,368	596,635
Total assets	447,928	436,491	721,412
Non-current liabilities	9,258	8,999	9,030
Current liabilities	305,599	375,576	251,251
Total liabilities	314,857	384,575	260,281
Net current assets/(liabilities)	26,579	(59,208)	345,384
Net assets	133,071	51,916	461,131
Non-controlling interests	4,952	–	–

We recorded net assets of RMB133.1 million, RMB51.9 million and RMB461.1 million as of December 31, 2023, 2024 and 2025, respectively. Our net assets decreased from RMB133.1 million as of December 31, 2023 to RMB51.9 million as of December 31, 2024 mainly reflecting changes in equity including (i) total comprehensive loss for the year of RMB110.0 million, (ii) share-based payments of RMB56.1 million, (iii) acquisition of non-controlling interests of RMB51.2 million, and (iv) capital injection of RMB23.9 million. Our net assets increased from RMB51.9 million as of December 31, 2024 to RMB461.1 million as of December 31, 2025, mainly reflecting changes in equity including (i) capital injection of RMB403.5 million, (ii) share-based payments of RMB17.3 million, and (iii) total comprehensive loss for the year of RMB11.6 million. For more information, see "Consolidated Statements of Changes in Equity" included in the Accountants' Report in Appendix I to this document.

We had net current assets of RMB26.6 million and RMB345.4 million as of December 31, 2023 and 2025, respectively, and net current liabilities of RMB59.2 million as of December 31, 2024. The change from net current assets as of December 31, 2023 to net current liabilities position as of December 31, 2024 was mainly due to the loss of RMB108.9 million in 2024. For a detailed discussion of our current assets and current liabilities during the Track Record Period, please see "Financial Information — Discussion of Certain Key Consolidated Statements of Financial Position Items" in this document.

Summary of the Consolidated Statements of Cash Flow

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows used in operating activities	(62,883)	(18,233)	(192,119)
Net cash flows from/(used in) investing activities	28,318	(10,857)	(21,617)
Net cash flows from financing activities	19,274	31,746	222,225

We recorded net cash outflows from operating activities in 2023, 2024 and 2025, amounting to RMB62.9 million, RMB18.2 million and RMB192.1 million, respectively, mainly due to our loss before tax amounting to RMB245.2 million, RMB109.8 million and RMB11.1 million in the respective years. See "Financial Information — Period-to-Period Comparison of Results of Operations" for detailed reasons of the loss before tax. We plan to improve our net operating cash outflows position by (i) enhancing inventory management, and (ii) optimizing our receivables and payables. For detailed strategies and measures we plan to take to improve our net operating cash outflows position and achieve profitability, see "Business — Business Sustainability and Path to Profitability."

KEY FINANCIAL RATIOS

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

	For the year ended December 31 or as of December 31,		
	2023	2024	2025
Gross margin[(1)]	3.7%	9.3%	16.1%
Current ratio[(2)]	1.1	0.8	2.4
Quick ratio[(3)]	0.6	0.4	1.2
Gearing ratio[(4)]	2.4	7.4	0.6

Notes:

(1) Gross margin = gross profit/(loss) ÷ revenue × 100%

(2) Current ratio = total current assets ÷ total current liabilities

(3) Quick ratio = (total current assets – inventories) ÷ total current liabilities

(4) Gearing ratio = total liabilities ÷ total equity

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks, which are set out in the section headed "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (i) If we are unable to design or deliver high quality and innovative products that address the evolving customer preferences and achieve market acceptance in a timely and cost effective manner, our business may be materially and adversely affected; (ii) The markets for our products are highly and increasingly competitive. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed; (iii) We depend on growth in the end markets that adopt our products. Any slowdown in the growth of these end markets could adversely affect our business, financial condition and results of operations; (iv) The markets in which we compete have historically been cyclical and have experienced downturns with declines in average selling prices that could adversely affect our business, results of operations and financial condition; and (v) We rely on a limited number of third party production partners for wafer fabrication and packaging, testing and assembly services for our DRAM products.

OUR CONTROLLING SHAREHOLDERS

Upon [**REDACTED**] (assuming that the [**REDACTED**] are not exercised), Mr. Ying will control [**REDACTED**]% of our total issued share capital, comprising (i) [**REDACTED**]% beneficially owned by Hangzhou Dingyuan; (ii) [**REDACTED**]% beneficially owned by Tianyuan Liji; (iii) [**REDACTED**]% beneficially owned by Yingxi No. 1; (iv) [**REDACTED**]% beneficially owned by Yingxi No. 4; (v) [**REDACTED**]% beneficially owned by Yingxi No. 5; and (vi) [**REDACTED**]% beneficially owned by Eaglestream Partners. Each of Hangzhou Dingyuan, Tianyuan Liji, and Yingxi No. 1 is controlled by Ningbo Yingxi as general partner, which is in turn wholly owned by Ningbo Hunting. Ningbo Hunting is wholly owned by Safari Capital Company Limited, which is in turn wholly owned by Advance Faith Investing Limited. Mr. Ying owns 100% interests in Advance Faith Investing Limited. Each of Yingxi No. 4 and Yingxi No. 5 is controlled by Hangzhou Yingxi as general partner, which is wholly owned by Ningbo Yingxi. Eaglestream Partners is owned as to 54.6% and 12.3% by Mr. Ying and Mr. Lin Kuo Hsiung, respectively. The remaining 33.1% of Eaglestream Partners is held by 10 existing or former employees and six consultants of our Group, all of whom are Independent Third Parties. Accordingly, Mr. Ying, Advance Faith Investing Limited, Safari Capital Company Limited, Ningbo Hunting, Ningbo Yingxi, Hangzhou Dingyuan, Tianyuan Liji, Yingxi No. 1, Hangzhou Yingxi, Yingxi No. 4, Yingxi No. 5 and Eaglestream Partners will be our Controlling Shareholders upon the [**REDACTED**].

[**REDACTED**] INVESTMENTS

We have conducted several rounds of [**REDACTED**] Investments. Please see "History, Development and Corporate Structure — [**REDACTED**] Investments" in this document for details.

DIVIDEND

We may distribute dividends by way of cash or by other means that we consider appropriate. No dividends have been paid or declared by our Company during the Track Record Period. Currently, we do not have a formal dividend policy or a pre-determined dividend distribution ratio. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account of factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

[**REDACTED**]

[REDACTED] EXPENSES

The total [**REDACTED**] expenses borne or to be borne by us are estimated to be approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) (comprising (i) [**REDACTED**] commission of approximately RMB[**REDACTED**] million, and (ii) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million, which consist of fees and expenses of legal advisors and reporting accountants of approximately RMB[**REDACTED**] million and other fees and expenses of approximately RMB[**REDACTED**] million), accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, which is the [**REDACTED**] of the indicative [**REDACTED**] range stated in this document and assuming that the [**REDACTED**] is not exercised. We expect that approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) will be charged to our statements of profit or loss as [**REDACTED**] expenses, and approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) will be accounted for as a deduction from equity upon the [**REDACTED**]. During the Track Record Period, [**REDACTED**] expenses of RMB[**REDACTED**] million were recognized in our consolidated statements of profit or loss. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such [**REDACTED**] expenses to have a material adverse impact on our results of operation for the year ending December 31, 2026.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We have experienced a continuous improvement in the sales of our major products during the Track Record Period, demonstrating our ability to successfully commercialize our products and solutions. Our revenue increased from RMB580.3 million in 2023 to RMB1,104.9 million in 2025. Notwithstanding the increase in our revenue, we incurred loss for the year of RMB244.3 million, RMB108.9 million and RMB10.5 million for the three years ended December 31, 2025, respectively. Our significant net loss in 2023 was primarily attributable to the substantial share-based payment expenses incurred during the year. Our adjusted net loss (non-IFRS measure) was RMB93.2 million and RMB52.8 million in the years ended December 31, 2023 and 2024, respectively. We had adjusted net profit (non-IFRS measure) of RMB26.1 million for the year ended December 31, 2025. We did not achieve a net profit during the Track Record Period, primarily due to the following factors:

- *Prioritization of business expansion over short-term profitability:* As the niche DRAM market in China (including Hong Kong, Macau and Taiwan) presents significant market potential, we strategically invested in our business and prioritized the business expansion and market share growth instead of short-term profitability to capture the market opportunities in the rising market. In addition, we have been developing our AI memory-computing solutions, which have materialized into revenue during the Track Record Period, which demonstrated high market potential.

- *Fluctuations in prices of raw materials for DRAM chips:* During the Track Record Period, the prices of our raw materials, mainly wafers used in the production of DRAM chips, have been subject to significant fluctuations. For the three years ended December 31, 2025, the average unit price of wafers was RMB5,486.2, RMB5,750.0 and RMB5,010.4 per wafer, respectively. These fluctuations have been driven by a combination of the features of the "silicon cycle", supply chain disruptions, changes in global commodity prices, and increased demand. Between 2020 and 2021, supported by the upward trend in the DRAM industry, customer inventory accumulation, and the reduction of DDR3 production capacity by Samsung and SK Hynix, supply-demand imbalances significantly pushed up wafer prices. At the same time, the pandemic caused severe global supply chain constraints, raw material shortages, and logistics disruptions, further tightening supply. In addition, rising global energy and commodity prices increased the cost of silicon materials, leading to a surge in wafer prices. From 2022 to 2024, as end-market demand weakened and inventory levels remained high, the DRAM industry entered a downward cycle, resulting in a sharp decline in demand and a subsequent drop in wafer prices. Against this industry backdrop, the unit price of wafers that we contracted to procure before the market price decline in 2022 but consumed later was relatively high. Such increased cost has had a direct impact on our profitability.

We expect to improve our financial performance and achieve profitability in the near future through continual revenue growth, growing economies of scale and improving operating efficiency. Specifically:

- *Achieving sustained growth in revenue:* We seek to drive continual overall revenue growth through (i) expanding and deepening our DRAM product portfolio to address the increasingly diverse requirements of high-growth segments such as AI computing, cloud data centers, and automotive electronics; (ii) actively diversifying our customer base and deepening our engagement with our business partners to mitigate customer concentration risk and tap into new demand pools; (iii) actively pursuing a global strategy through our regional R&D and technical support centers in China and Japan, tailored marketing campaigns, and active participation in industry forums; and (iv) progressively enhancing our industry chain integration capabilities by expanding our packaging and testing capacity within the industry chain and exploring investments or acquisitions to ensure stable and efficient production.

- *Narrowing loss:* We will endeavor to continuously improve margin and achieve long-term profitability by (i) aligning our go-to-market strategy with volume customers, particularly in fast-growing segments like IoT devices and AI computing, to achieve scale and spread fixed costs more effectively; (ii) reusing proven IP across multiple product lines, we reduce engineering time and lower the risk of design flaws that affect yields and cost; and (iii) utilizing a pre-designed MBIST to reduce time and cost per unit without sacrificing quality.

- *Improving cash flow performance:* We seek to improve cash flow by (i) enhancing inventory management by adopting a dynamic, data-driven approach that aligns with the cyclical nature of the DRAM market and (ii) optimizing receivables and payables by clearing long aging inventories and utilizing the credit periods granted to us to optimize cash flow and preserve liquidity.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**], after deducting the estimated [**REDACTED**] and other estimated [**REDACTED**] payable by us in connection with the [**REDACTED**], assuming that an [**REDACTED**] of HK$[**REDACTED**] per Share (being the [**REDACTED**] of the indicative [**REDACTED**] range stated in this document) and assuming that the [**REDACTED**] is not exercised.

We intend to use the net [**REDACTED**] as follows: (1) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for enhancing our R&D and innovation capabilities; (2) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for upgrading our production and testing equipment and capacity; (3) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for enhancing our global sales and marketing capability; (4) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for strategic investments and/or acquisition to achieve our long-term growth strategies; and (5) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, is expected to be used for working capital and general corporate purposes.

LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral, administrative proceedings or non-compliance incidents that led to fines, enforcement actions or other penalties, which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operation remained stable and our business continued to grow. We are in the process of commercializing our HSM1 product, which is one of our key AI memory-computing solutions.

Our Directors have confirmed that as of the date of this document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for the [**REDACTED**] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2025, being RMB1,104.9 million, which exceeds HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected [**REDACTED**] at the time of the [**REDACTED**], which, based on the low end of the [**REDACTED**] range, would exceed HK$4 billion as required by Rule 8.05(3) of the Listing Rules.