VISION

Our vision is to become a world-leading AI-enabled intelligent semiconductor transfer system platform.

OVERVIEW

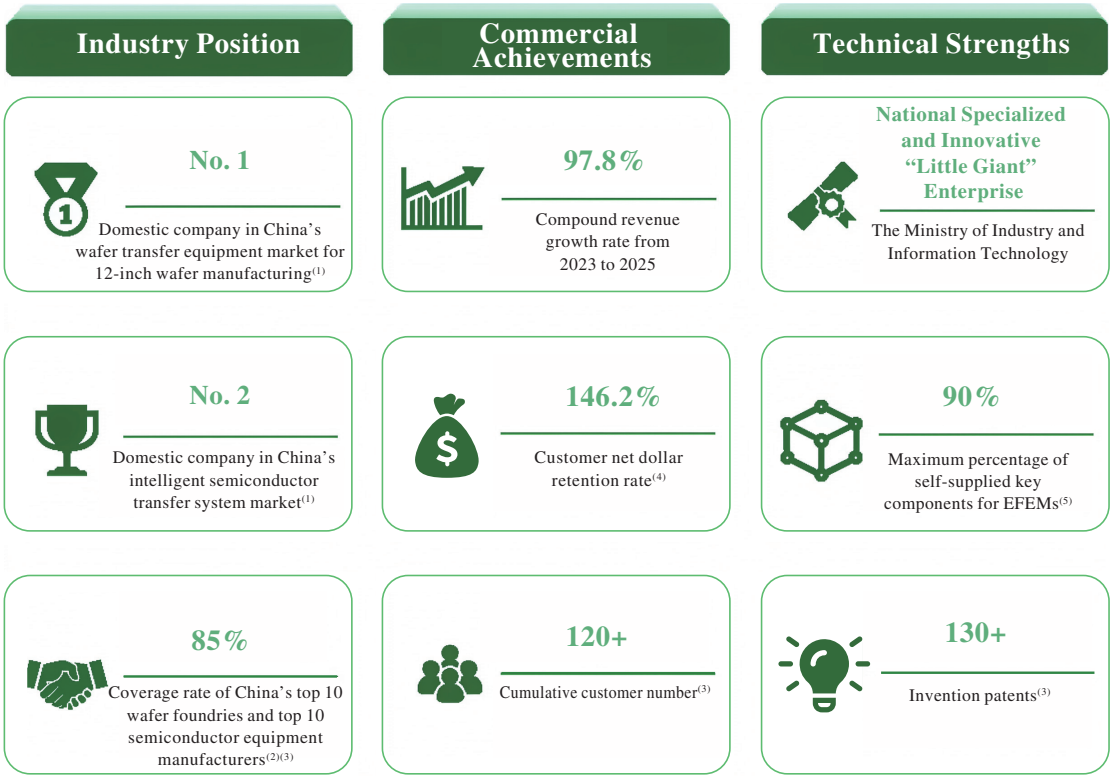
Who We Are

We are a leading China-based provider of intelligent semiconductor transfer system and the only domestic company capable of offering scalable, full-process intelligent semiconductor transfer system. Aligned with the PRC's national industrial policy promoting domestic substitution of semiconductor equipment, we operate an integrated model centered on the research and development, manufacturing, and sale of wafer transfer equipment (including EFEMs, sorters and related components) and AMHS for front-end semiconductor equipment manufacturers and wafer foundries. According to F&S, we ranked second among domestic companies by revenue in China's intelligent semiconductor transfer system market and wafer transfer equipment market in 2025, with a market share of 2.7% and 6.3%, respectively. We also ranked first among domestic companies by revenue in China's wafer transfer equipment market for 12-inch wafer manufacturing in 2025, with a market share of 7.8%. In addition, we manufacture and sell semiconductor packaging automation equipment to back-end semiconductor manufacturers and provide technical services to wafer foundries and semiconductor equipment manufacturers.

Intelligent semiconductor transfer system market has exceptionally high technological barriers to entry and has been dominated by American and Japanese companies. In 2020, our founder, Ms. Ye, recognized the emerging trend toward localization in semiconductor transfer and the opportunities it presented, and established our Company with the mission of advancing domestic substitution. Through sustained R&D investment, we have independently developed both our hardware and our core control software. On the hardware side, we are able to self-supply up to 90% of the key components for EFEMs, positioning us among the leading domestic players. On the software side, we pursue a strategy of proprietary development of control software and have extended our software capabilities across our full product portfolio. We deliver all of our products as integrated hardware and software.

We pursue a global strategy centered on China as our innovation hub. Leveraging our established manufacturing bases in China and Malaysia, together with an extensive international customer base, we have built a reliable route to market and a foundation of customer trust for introducing our proprietary products into overseas markets. Our overseas operations have also broadened our product portfolio, yielding a more comprehensive range of solutions. In 2023, 2024 and 2025, revenue generated outside Chinese mainland amounted to RMB4.8 million, RMB15.9 million and RMB44.5 million, respectively, accounting for 3.6%, 5.2% and 8.5% of our total revenue, respectively. We intend to continue pursuing global expansion and capitalizing on international market opportunities.

The following diagram illustrates our key achievements as of December 31, 2025:



Notes:

(1) In terms of revenue in 2025, according to F&S.

(2) China's top 10 wafer foundries and top 10 semiconductor equipment manufacturers are ranked by revenue in 2025, according to F&S.

(3) As of December 31, 2025.

(4) The rate is calculated by revenue recognized in 2025 from customers who were also customers in 2024, divided by the revenue from those same customers in 2024, expressed as a percentage.

(5) In terms of raw materials and other component costs of our EFEMs.

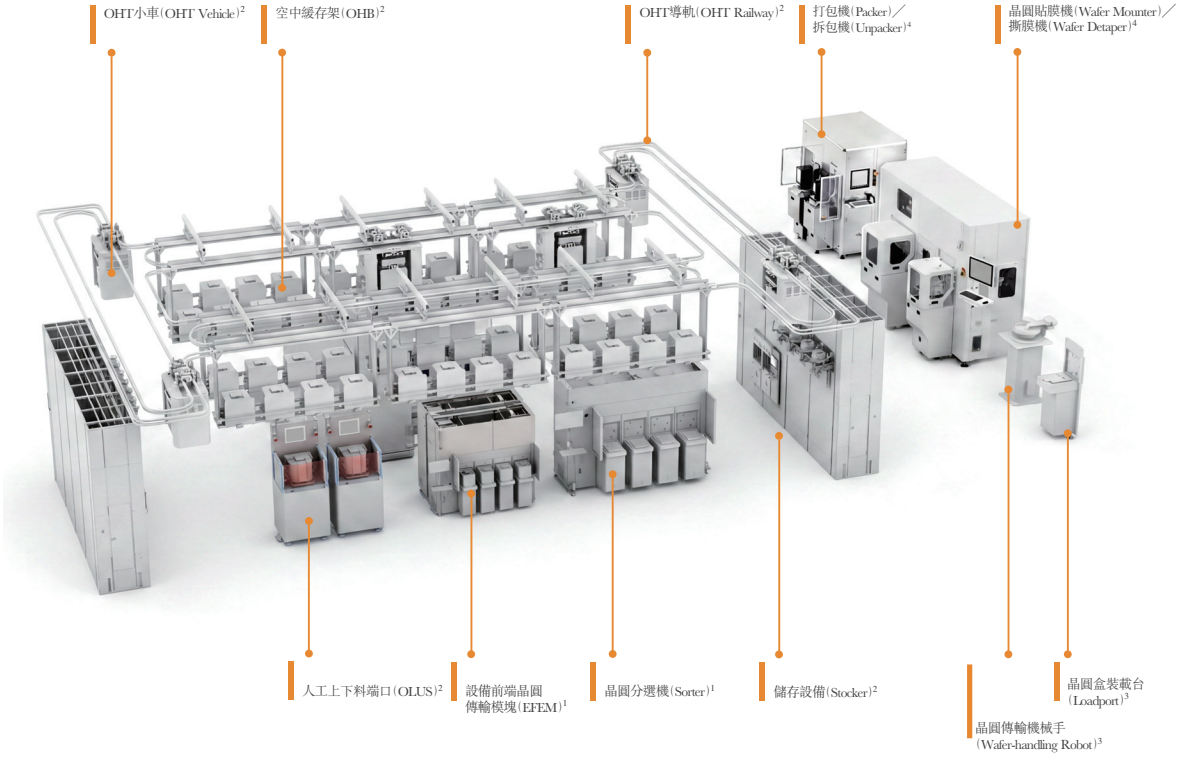
Our Market Opportunities

China's intelligent semiconductor transfer system market is growing due to the rapid growth of semiconductor manufacturing industry, underpinned by wafer manufacturers' increased demands for automation and digitalization, efficiency, and logistics stability. AI application development, together with other factors, has driven increased demand from wafer foundries for higher quality and efficiency. An intelligent semiconductor transfer system is an integrated automation platform designed to ensure efficient, contamination-controlled, and intelligent material flow across the entire semiconductor manufacturing process, from the wafer fab floor to equipment-level microenvironments. Intelligent semiconductor transfer system mainly comprises wafer transfer equipment and AMHS.

China's intelligent semiconductor transfer system market expanded rapidly from 2021 to 2025, with market size increasing from RMB7.0 billion in 2021 to RMB14.6 billion in 2025, implying a CAGR of 20.2%. As the industry transitions from greenfield capacity build-out to a phase of sustained expansion combined with structural efficiency enhancement, demand is expected to move toward system upgrades and intelligent operations and maintenance retrofits. Meanwhile, wider adoption of AI in scheduling optimization, equipment monitoring, and predictive maintenance is set to further increase the functionalities of intelligent transfer system. China's semiconductor intelligent transfer systems market is expected to grow at a CAGR of approximately 13.4%, expanding from RMB16.4 billion in 2026 to RMB27.2 billion by 2030.

Our Products and Services

The following diagram demonstrates our product portfolio:



Notes:

(1) EFEMs and sorters are our major wafer transfer equipment.

(2) Our AMHS primarily comprises OHT vehicles, OHT railway, OHB, stockers, and OLUS, along with other supporting hardware and software.

(3) Wafer-handling robots and loadports are major components of our EFEMs and sorters.

(4) Packers, unpackers, wafer mounters and wafer detapers are our major semiconductor packaging automation equipment.

We offer customers integrated hardware-software intelligent semiconductor transfer system, ranging from standalone wafer transfer equipment to AMHS. We also offer technical services to wafer foundries and semiconductor equipment manufacturers.

Details of our products and services are set forth below:

Wafer Transfer Equipment

- Equipment front end module (EFEM): A subsystem integrated into semiconductor manufacturing equipment that provides wafer loading, alignment and transfer functions within a controlled micro-environment.

- Sorter: An automated system for handling, sorting, aligning, identifying and transferring wafers between wafer carriers to ensure proper orientation and sequencing.

Automated Material Handling Systems (AMHS)

An AMHS is an intelligent semiconductor transfer system primarily comprising OHT vehicles, OHT railways, OHBs, stockers, and OLUS, along with peripheral equipment and software systems that automate the transportation, storage, and delivery of wafer carriers, improving material flow while reducing manual handling.

Semiconductor Packaging Automation Equipment

Our semiconductor packaging automation equipment primarily includes packers, unpackers, wafer mounters, wafer detapers, providing support for semiconductor packaging automation.

Technical Services and Others

We provide installation, repair and maintenance services for semiconductor manufacturing equipment, focusing on etching and metrology equipment used in front-end process.

Intelligent Controls Software

We develop proprietary intelligent control software for EFEMs, sorters, AMHS and their respective key components. We sell hardware and software as an integrated offering.

Our Financial Performance

We achieved rapid revenue growth during the Track Record Period. Our revenue was RMB133.3 million, RMB308.9 million and RMB521.5 million in 2023, 2024 and 2025, respectively, representing a CAGR of 97.8%. Our profitability has also improved steadily. Our gross profit margin was 26.8%, 29.6% and 30.1% in 2023, 2024 and 2025, respectively. Our adjusted loss for the year (non-IFRS measure) was RMB48.1 million and RMB40.2 million in 2023 and 2024, respectively. Our adjusted profit for the year (non-IFRS measure) was RMB13.8 million in 2025. Our strong growth trajectory reflects effective strategy execution and consistent market fit.

OUR COMPETITIVE STRENGTHS

A Leading China-based Provider of Intelligent Semiconductor Transfer System

We are positioned at the convergence of two defining opportunities: domestic substitution and industrial upgrading. Supported by a solid technological foundation, a comprehensive product portfolio, and a clear strategic roadmap, we have established ourselves as a leader and innovator in China's intelligent semiconductor transfer system market.

Aligned with the Trend Toward Localization and Technological Self-Reliance

To support the semiconductor value chain's critical requirements for supply chain security and efficiency, we are closely aligned with national strategies for industrial self-reliance. Through comprehensive in-house R&D, we have built a vertically integrated technology architecture spanning core components, equipment and core control software. We can self-supply up to 90% of the key components for EFEMs. Our in-house manufacturing of core components enables an average delivery cycle of approximately 70 days for EFEMs and sorters from order placement date. According to F&S, this delivery cycle is shorter than the industry average, enabling us to respond swiftly to customer demand. As of December 31, 2025, we had provided our products and services to 85% of the top 10 domestic semiconductor equipment manufacturers and top 10 domestic wafer foundries, ranked by revenue in 2025, according to F&S. Our AMHS has been successfully deployed in production lines of 12-inch fabrication plants, marking our transition from a single equipment manufacturer to a fab-level automation transfer system provider.

Operating in a Large and Growing Global Intelligent Semiconductor Transfer Equipment Industry

Intelligent semiconductor transfer system have broad applications spanning the entire semiconductor manufacturing process and can be extended to non-semiconductor sectors, such as biopharmaceutical panels, providing customers with high-precision, high-reliability material transfer solutions. In recent years, the explosive growth of the global AI chip industry and the continued migration of semiconductor manufacturing toward advanced process nodes have driven sustained expansion of the chip market and rapid iterations in process technology. These trends have, in turn, increased demand for more advanced intelligent transfer system that delivers higher speed, precision, cleanliness, and intelligence, thereby improving wafer yield and production efficiency. According to F&S, driven by advanced process upgrades, AI chip capacity expansion and the intelligent transformation of manufacturing, the global intelligent semiconductor transfer system market is projected to grow at a CAGR of 9.4%, expanding from RMB43.0 billion in 2026 to RMB61.6 billion by 2030.

Proprietary Technology Advantages Through Technological Innovation and R&D

Our comprehensive in-house R&D capability is the cornerstone of our proprietary technology advantages. Since inception, we have pursued a strategy of independent R&D. As of December 31, 2025, we had been granted over 130 invention patents, covering key technology areas including transfer modules, inspection methods and control systems. These patents form the foundation of our core technology barriers and underpin our long-term competitiveness in the market.

We are committed to maintaining a strong R&D team to ensure the continued advancement and innovation of our core technologies. Our R&D team members have extensive experience in the development and commercialization of semiconductor automation equipment. As of December 31, 2025, we had 145 R&D personnel, representing 27.7% of our total workforce. We have recruited our core R&D staff from leading domestic and international semiconductor equipment companies, each with over 10 years of industry R&D experience in semiconductor equipment.

Our R&D capability is also reflected in our sustained R&D investment. In 2023, 2024 and 2025, our R&D expenses were RMB41.4 million, RMB59.6 million and RMB47.1 million, respectively.

Comprehensive Product Portfolio Covering the Full Wafer Transfer Process, Precisely Matching Diverse Customer Needs

Since our founding, we have focused on intelligent semiconductor transfer system as our core business. We have developed a broad product portfolio centered on two core product lines: wafer transfer equipment and AMHS, providing end-to-end coverage from equipment to fab-level logistics within wafer manufacturing facilities.

Wafer Transfer Equipment

Our wafer transfer equipment primarily comprises two types of equipment: EFEMs and sorters. Our EFEMs and sorters have been validated by leading semiconductor customers and are widely deployed across various stages of semiconductor manufacturing.

Our EFEMs deliver high-cleanliness, high-precision wafer transfer functionality for a broad range of semiconductor manufacturing equipment, while our sorters simultaneously separate and sort wafers based on multiple criteria at the same time. We independently develop and produce key components, including wafer-handling robots, loadports, and RFID readers. Underpinning these products is our proprietary hardware-decoupled, universal control platform, which executes motion control with millisecond-level precision and significantly increases hourly equipment throughput by refining the transfer route during wafer handling.

AMHS

The performance of AMHS has become a key factor affecting production line efficiency and yield in fabrication plants. The system consists of three principal modules: hardware execution units, peripheral equipment and software systems. Beyond the semiconductor industry, we can adapt our AMHS technology for use in flat panel display manufacturing, new energy, pharmaceutical production, and other industries, offering broad application potential.

Versatile Product Portfolio Addressing Diverse Customer Needs

Our broad product portfolio serves customers across the semiconductor value chain, offering one-stop solutions from core components to full-fab automation. This integrated approach simplifies procurement and reduces coordination costs for customers.

Core Product Performance Benchmarked Against International Standards

Our products' core performance is on par with international top-tier standards and has been validated in domestic high-end manufacturing environments.

High Cleanliness Standards

In the field of wafer transfer, cleanliness is a critical determinant of chip yield. We have established a comprehensive, end-to-end cleanliness control system covering airflow management, electrostatic discharge control, materials selection, and real-time monitoring. This system meets the most stringent requirements of advanced logic and memory manufacturing.

The advanced process technologies used in 12-inch wafer manufacturing impose particularly stringent cleanliness requirements on wafer transfer environments. We use proprietary simulation software to model and optimize internal airflow patterns within our equipment to maintain high cleanliness. All critical internal components are fabricated from specialized materials selected for their low particle emission and corrosion resistance. Our systems also incorporate ionization bars to neutralize static charges, creating an ultra-clean environment in critical transfer zones and effectively preventing particle accumulation. As a result, the cleanliness levels of our products exceed ISO Class 1, delivering a uniform and stable ultra-clean environment that significantly reduces airborne molecular contamination and protects wafer cleanliness throughout the transfer process.

Excellent Transfer Performance

Transfer performance directly determines production line throughput and efficiency. According to F&S, international standards generally require a high level of wafer transfer stability, with a wafer breakage rate of no more than one in a million, and a repeatability positioning accuracy of less than 0.1 mm. Our products meet all core benchmarks and key metrics of international standards. By combining lightweight precision wafer-handling robots, optimized motion control algorithms, and reliable wafer clamping and calibration, our equipment delivers smooth and stable operation.

Our EFEMs have demonstrated proven reliability, achieving 2.1 million consecutive wafer transfers with zero breakage. Our EFEMs deliver positioning repeatability of 0.05 mm, enabling accurate wafer pick-and-place in every operation. According to F&S, our EFEMs outperform domestic competitors in both transfer stability and transfer precision, achieving international standards.

Customer-Centric Approach with Strong Penetration among Industry-Leading Customers

Our equipment delivers strong performance in energy efficiency, stability and system integration. Combined with comprehensive in-house R&D capabilities and rapid responsiveness to customer needs, we have secured orders from leading domestic wafer foundries and other semiconductor manufacturing equipment companies. We have established a strong presence within China's semiconductor industry, serving a customer base that includes leading domestic players in semiconductor manufacturing industry.

As of December 31, 2025, we had provided our products and services to 85% of the top 10 domestic semiconductor equipment manufacturers and top 10 domestic wafer foundries, ranked by revenue in 2025, according to F&S. Leading semiconductor customers impose highly demanding technical and application requirements, which drive us to continuously strengthen our technological capabilities and refine our products. We work closely with our major customers during the R&D phase of their semiconductor manufacturing equipment, developing purpose-built wafer transfer modules designed for seamless integration into their equipment. Through close engagement with these customers, we have accumulated deep expertise and a substantial base of performance data, creating high switching costs and reinforcing customer loyalty. During the Track Record Period, our customer net dollar retention rate exceeded 140.0%.

We provide our customers with high-quality, highly flexible product support and after-sales services. We have assembled a dedicated after-sales technical service team to deliver localized support to our customers. We maintain four permanent service centers in Beijing, Shanghai, Wuhan and Guangzhou. This network provides effective coverage of China's principal semiconductor industry clusters, including the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Central China region and the Guangdong-Hong Kong-Macao Greater Bay Area. Our technical personnel also have overseas service experience, enabling us to respond to the needs of international customers.

In semiconductor manufacturing, unplanned equipment downtime directly results in significant production capacity losses. Our after-sales service is therefore not merely a support function but also an important extension of our product competitiveness and a key factor in our customers' purchasing decisions.

Visionary and Experienced Management Team

Our management team combines deep industry expertise with complementary skill sets. Our core management team brings many years of experience in the semiconductor industry, combining strong technical expertise with proven execution capabilities. With a keen understanding of industry trends, the team has guided us through key milestones, including the development of proprietary core technologies and breakthroughs in the high-end market. These achievements have laid a solid foundation for our sustained future growth.

Our founder, Ms. Ye, has over 20 years of experience in the semiconductor industry. She previously held senior management positions at leading companies including Semiconductor Manufacturing International Corporation and Chartered Semiconductor Manufacturing (Singapore). In March 2026, Ms. Ye was named a "2026 Forbes China Industry Development Pioneer."

We are committed to attracting top talent and fostering a people-centered corporate culture. We have established a comprehensive internal training and development system with diversified career advancement pathways tailored to different roles, offering employees broad opportunities for professional growth. Our strong talent base reinforces our leading position in the industry and provides a solid foundation for continued innovation and global expansion. Under our management team's leadership, we have progressed from steady growth in the domestic market to an active presence in international markets, continuously strengthening our competitiveness in the global intelligent semiconductor transfer system industry.

OUR GROWTH STRATEGIES

Continued R&D Investment to Build an Intelligent Semiconductor Transfer Platform

We intend to continue increasing our investment in software control systems related to our products, including scheduling algorithms, MCP, and MCS systems, and AI-integrated applications to improve the scheduling efficiency, responsiveness to complex-demand, stability and self-learning capabilities of our major products, i.e., wafer transfer equipment and AMHS. This will enable our products to make real-time intelligent decisions across multiple tasks, routes, and constraints, achieving system-wide optimal scheduling and realizing the intelligent upgrade from deterministic equipment automation control to predictive self-optimization.

We intend to meet evolving customer needs through ongoing product development. By closely tracking advances in process technology and aligning our R&D with emerging trends, we seek to maintain our long-term competitive advantage. We also plan to develop transfer technologies for more advanced process nodes and packaging applications, while continuously upgrading our systems through improvements such as higher-precision wafer-handling robots.

By implementing this strategy, we envision creating an open, modular application architecture with standardized interfaces. This will enable customers to customize and integrate intelligent material transfer solutions to meet their specific needs. Through this approach, we seek to establish ourselves as a leading AI-enabled intelligent semiconductor transfer system platform.

Strengthen Our Talent Base

We intend to expand our global recruitment efforts, with a particular focus on professionals with deep expertise and hands-on experience in intelligent semiconductor transfer system and AI algorithms to support our continued business growth. We also intend to collaborate with universities through industry-academia partnership programs to develop the next generation of engineering talent. In parallel, we will support talent development through tailored training programs and clear career pathways, building a strong pipeline of high-quality professionals aligned with our business and culture. We also intend to attract and retain top talent with competitive compensation and benefits.

Accelerate Global Expansion

We intend to further expand our global footprint through our Malaysian subsidiary, Waftech, which serves as a strategic overseas hub. Supported by its established international customer base and strong market credibility, we will accelerate the introduction of our proprietary products into overseas markets. Building on this foundation, we intend to broaden our product portfolio, deepen customer relationships, and steadily increase the share of revenue generated from overseas operations.

Using Waftech as a platform, we also intend to build close partnerships with leading domestic semiconductor equipment manufacturers to support their overseas manufacturing expansion. As China's semiconductor industry advances its globalization efforts, leading domestic equipment manufacturers face growing demand for overseas-supplied intelligent semiconductor transfer system. Through close collaboration, we intend to enhance the global visibility of our brands and products, accelerate our international expansion, and contribute to the broader development of China's semiconductor industry.

Pursue Strategic Investments and Acquisitions

We intend to pursue targeted strategic investments and acquisitions, primarily in China, to rapidly acquire key resources, realize synergies, and strengthen our market position and competitive advantage.

Our investment and acquisition strategy focuses on two main priorities: technological complementarity and market expansion. We may pursue targets whose technologies strengthen and complement our existing capabilities, such as companies with leading positions in the production of key components for wafer transfer equipment or AI software, and whose technologies can be integrated with ours. In parallel, we are exploring the acquisition of semiconductor-related companies whose key products have significant sales potential. We intend to leverage our sales capabilities to enable the sales of such products.

Deepen Vertical Integration Across R&D and Industrialization

We intend to further promote collaborative innovation and R&D within our Group. Our subsidiary, Xindao Precision, possesses strong proprietary technology capabilities and is capable of independently developing and manufacturing key core components, including wafer-handling robots and pre-aligner calibrators. This approach allows us to optimize cost structure, strengthen the competitiveness of our products, and enhance supply chain resilience.

Aligned with China's push for domestic substitution and technological self-reliance, this approach enhances our product competitiveness while also advancing the localization of key component technologies in the intelligent semiconductor transfer system industry.

OUR BUSINESS MODEL

We are a leading China-based provider of intelligent semiconductor transfer system and the only domestic company capable of offering scalable, full-process intelligent semiconductor transfer system. Aligned with the PRC's national industrial policy promoting domestic substitution of semiconductor equipment, we operate an integrated model centered on the research and development, manufacturing, and sale of intelligent semiconductor transfer system and related components for fabrication, complemented by the provision of technical services. Since our incorporation, we have been focusing on making wafer movement in advanced semiconductor manufacturing precise, clean, and efficient. We generate revenues from selling equipment, components, and providing technical services. In December 2023, we acquired Waftech, a Malaysia-based company engaged in the research and development, manufacturing and sale of semiconductor packaging automation equipment. Waftech maintains an established international sales network serving semiconductor manufacturers across multiple countries and regions. The acquisition extended our product offering into the back-end segment of the semiconductor value chain and enhanced our ability to serve international customers. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech" for further details.

Our products and services are crucial to various steps in front-end and back-end processes of semiconductor manufacturing, which connects us closely with important stakeholders in the semiconductor value chain. For the front-end process, we primarily engage in the R&D, manufacturing and sale of (i) wafer transfer equipment, including EFEMs, sorters, and related components and (ii) AMHS, for semiconductor equipment manufacturers and wafer foundries. For the back-end process, we primarily manufacture and sell semiconductor packaging automation equipment to back-end semiconductor manufacturers. We also provide technical services, including repair and maintenance, and sell components to wafer foundries and semiconductor equipment manufacturers.

We operate a structured and integrated manufacturing process designed to support consistency and timely delivery. Our engagement with customers typically begins with early-stage technical discussions to confirm product specifications, performance requirements, and overall process design. Following specification confirmation, we proceed to detailed design and engineering, in parallel with production planning and the procurement of required materials and components. We carry out manufacturing through the production and procurement of mechanical, electrical, and modular components, followed by assembly and integration. Each completed unit undergoes functional testing and calibration prior to final quality inspection. We coordinate delivery and logistics arrangements to fulfill agreed delivery schedules and provide ongoing after-sales technical support. See "—Sales and Marketing—After-sales Services" for further details.

The following chart illustrates our business process:

REVENUE MODEL

During the Track Record Period, we generated revenue from (i) sale of intelligent semiconductor transfer system including wafer transfer equipment, AMHS and components and others; (ii) sale of semiconductor packaging automation equipment and components; and (iii) provision of technical services and others. The following table sets forth a breakdown of our revenue by type of products and services for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Intelligent semiconductor transfer system	106,632	80.0	243,252	78.7	407,253	78.1
– Wafer transfer equipment[(1)]	104,953	78.7	239,226	77.4	380,453	73.0
– AMHS[(2)]	–	–	–	–	13,423	2.6
– Components and others[(3)]	1,679	1.3	4,026	1.3	13,377	2.5
Semiconductor packaging automation equipment and components[(4)]	3,848	2.9	13,198	4.3	44,304	8.5
Technical services and others[(5)]	22,809	17.1	52,475	17.0	69,954	13.4
Total	**133,289**	**100.0**	**308,925**	**100.0**	**521,511**	**100.0**

Notes:

(1) Primarily including revenue from the sale of EFEMs and sorters.

(2) We started to generate revenue from the sale of AMHS in December 2025.

(3) Primarily including revenue from the sale of components associated with intelligent semiconductor transfer system, such as loadports, wafer-handling robots, end effectors, nitrogen purging equipment, and E84 sensors.

(4) Revenue from sale of semiconductor packaging automation equipment and components were all generated by our Malaysian subsidiary Waftech. We completed acquisition of Waftech in December 2023. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

(5) Including revenue from provision of repair and maintenance services for wafer foundries and semiconductor equipment manufacturers and sale of components.

OUR PRODUCTS AND SERVICES

Wafer Transfer Equipment

Our wafer transfer equipment comprises a variety of scenario-based automated devices that load wafers from carriers and transfer them into semiconductor manufacturing equipment, and vice versa, while maintaining a controlled cleanroom environment to minimize defects caused by particle contamination, static electricity, and other factors. Our equipment not only physically connect to the semiconductor manufacturing equipment, but also integrate with fabrication plants' software system for real-time monitoring, environmental control, and error handling in the modern semiconductor manufacturing industry. We have designed and developed our wafer transfer equipment for both front-end and back-end processes in semiconductor manufacturing. According to F&S, we ranked fourth by revenue in China's wafer transfer equipment market in 2025, with a market share of 6.3%.

Our wafer transfer equipment primarily includes EFEM (equipment front end module) and sorter.

EFEM

An equipment front end module, or EFEM, is a subsystem integrated into semiconductor manufacturing equipment that performs wafer loading, alignment, and transfer within a controlled micro-environment while interfacing with facility-level automation systems. EFEMs serve as the connection point between automated material handling systems and process equipment, including lithography, etch, and metrology equipment, maintaining cleanroom-grade conditions and reducing contamination risk during wafer handling.

An EFEM generally comprises three principal components: (i) loadports, which receive and identify wafer such as front-opening unified pods (FOUPs) or cassettes; (ii) wafer-handling robots, which transfer wafers between modules and process chambers; and (iii) pre-aligners, which orient each wafer to the required position prior to processing.

We have designed and developed different EFEM models to cover both front-end and back-end processes in semiconductor manufacturing, with a particular focus on advanced process nodes under 7nm. In the front-end process, microscopic circuits such as integrated circuits are fabricated on silicon wafers, while in the back-end process, the individual chips fabricated on the wafer will be separated and electrically connected to a substrate (i.e., packaging the chips). In the front-end process, our EFEM models are compatible with all semiconductor manufacturing equipment, including deposition, coating, lithography, etching, ion implantation, metrology, and cleaning equipment. In the back-end process, our EFEM models are applicable in each of the wafer packaging, assembly, and inspection processes.

Our EFEM models are designed to be configurable to accommodate customers' specific technical requirements and the specifications of the semiconductor manufacturing equipment with which they interface. Configurable parameters include the number of ports, robot type and configuration, and transferring object dimensions. Our EFEM customers primarily comprise semiconductor equipment manufacturers and integrated device manufacturers (IDMs), which integrate our EFEMs into their semiconductor manufacturing equipment for subsequent deployment in, or sale to, wafer fabrication plants.

Our EFEM models deliver functionality and reliability to semiconductor manufacturing. For example, in 2023, we developed a customized EFEM model with one of our major customers, a leading domestic wafer foundry. Such EFEM model has an operational error rate (the probability of failing to transfer wafers properly, which results in wafer damage) of as low as one in three million. The low operational error rate of EFEMs is critical to the improvement of yield in semiconductor manufacturing (especially for advanced process nodes) and the production capacity of fabrication plants.

The following table sets forth our representative EFEMs:

			
Product examples	Etching EFEM	EMS EFEM	D2W (die-to-wafer) EFEM
Major applications	• Designed for wafer transfer in semiconductor etching processes, supporting standard 12-inch wafers.	• Designed for 12-inch wafer handling, with a proprietary in-house developed EMS integrated into the EFEM. The EMS supports an adjustable rotation speed ranging from 12 to 120 seconds per revolution, enabling in-situ measurement of wafer film uniformity and enhancing overall equipment functionality.	• Designed for wafer transfer in advanced die-to-wafer packaging processes, supporting both 12-inch wafers and 380 mm frame wafers, with integrated frame wafer auto-alignment capability and customized handling and calibration solutions ensuring structural stability, minimized deflection and high-precision positioning.
Key features	• Integrated with five high-precision loadports to accommodate wafer transfer requirements of wide-spacing process tools, representing an industry-leading configuration within a single EFEM system; • Equipped with a customized long-reach robots, enabling interfacing with multiple loadports and process chambers without additional linear motion axes; and	• Film uniformity measurement results are automatically transmitted to the customer's server via the software system, minimizing manual intervention and reducing the risk of operational errors; • System-level integration and centralized control of the EMS module ensure high operational stability; and	• Incorporating proprietary SEMI-compliant 380 mm loadports with optimized door operation and high-precision positioning performance, enabling reliable handling of large-format frame wafers; and • Equipped with high-precision dual-arm robots with integrated wafer-flipping capability, enabling in-process flipping during wafer transfer to support high-throughput operations.

	• Incorporating buffer units with exhaust functionality to support high-volume temporary wafer storage and wafer cooling, with optimized internal airflow management to maintain micro-environment cleanliness and prevent particle accumulation.	• The end effector adopts a V-ring vacuum chuck design, capable of handling wafers with up to 4 mm warpage, providing industry-leading compatibility.	
Key specifications	• Dimension: 3,145 mm x 920 mm x 2,610 mm • Number of loadports: 5 • Transferring object: 12-inch wafer • Repeatability: ±0.1mm • PA accuracy: ±0.1mm • MTBF: >2,000 hours • WPH: >148 pieces	• Dimension: 2,135 mm x 800 (850) mm x 2,610 mm • Number of loadports: 3 • Transferring object: 12-inch wafer • Repeatability: ±0.1mm • PA accuracy: ±0.1mm • MTBF: >2,000 hours • WPH: 160 pieces • EMS stage rotation speed: 12 to 120 s per rotation	• Dimension: 2,360 mm x 2,500 mm x 1,317 mm • Number of loadports: 4 • Transferring object: 12-inch wafer and 380 mm frame wafer • Repeatability: ±0.1mm • PA accuracy: ±0.1mm • MTBF: >5,000 hours • Uptime: 99%

Sorter

A sorter is an automated system designed to handle, sort, align, identify, and transfer wafers between cassettes or process equipment. Sorters ensure that wafers are correctly oriented, placed in the right sequence, and mapped accurately for downstream processing.

In performing wafer transfer and sequencing operations within a semiconductor production line, a sorter typically has several capabilities, including: (i) cassette-to-cassette transfer, (ii) wafer ID reading, (iii) wafer mapping, (iv) wafer flipping, and (v) sorting by recipe. By automating these tasks, sorters reduce human errors, improve production yield, and support the high-throughput requirements of advanced wafer fabrication plants.

Our sorter portfolio supports 6-inch, 8-inch, and 12-inch wafers and is compatible with SEMI-standard carriers, including FOUPs, FOSBs, open cassette systems (OCS), and metal carriers. We also provide customized sorter models aligned with specific production line requirements.

The following table sets forth our representative sorters:

		
Product examples	Configurable Sorter	Advanced Packaging Sorter
Major application	• Supporting 6-, 8-, and 12-inch wafers as well as multiple carrier types (e.g. FOUP, FOSB, OCS), and interfacing with AMHS, enabling multi-purpose uses.	• Designed for panel-level packaging processes, compatible with large-format substrates of 310 × 310 mm and 510 × 515 mm.
Key features	• Utilizing friction-based edge-grip handling technology, enabling the transferring of ultra-thin TAIKO wafers with thickness down to 50μm, enhancing handling reliability; and • Providing an optimized micro-environment design with ISO Class 1 cleanliness, and supporting optional functions such as wafer ID reading, flipping, and chemical filtration to meet diverse process requirements.	• Capable of handling and transferring large-size glass substrates, with integrated loading and pre-alignment functionalities; • Configurable with nitrogen purging and fan filter unit-based micro-environment systems to support high-cleanliness processing requirements; • Supporting customers' transition from wafer-level to panel-level manufacturing, enhancing production scalability; and • Providing a high-precision and ultra-clean transfer environment for large-size substrates, meeting advanced packaging requirements.
Key specifications	• Number of loadports: 2 to 8 • Transferring object: 8/12-inch wafer • Repeatability: ±0.1mm • PA accuracy: ±0.1mm • MTBF: >1,000-6,000 hours • WPH: >300 pieces • Thickness: 50 to 300μm	• Number of loadports: 2 to 8 • Transferring object: silicon wafers, glass substrates with dimension of 310 X 310 mm or 510 X 515 mm • Repeatability: 0.1 mm (310 mm panels) or 0.5 mm (510 mm panels) • PA accuracy: ±0.1mm • WPH: >200 • Substrate thickness: 1 to 3 mm • Robot type: cylindrical arm/high-payload selective compliance assembly robot

Wafer Transfer Equipment Control Software

Our proprietary software control system manages communication, control sequencing, safety protocols, and real-time monitoring functions for each piece of wafer transfer equipment. The system coordinates the operation of principal hardware components, including wafer-handling robots, pre-aligners, loadports, and sensors, to orchestrate the wafer-handling workflow. Key features include:

(i) *Material Handling and Identification.* The system implements the SEMI E84 protocol for automated physical handshaking with AMHS, ensuring safe and synchronized carrier loading and unloading. This capability is integrated with high-precision carrier and wafer identification using barcode, RFID, and OCR technologies to maintain lot integrity across multi-carrier operations.

(ii) *Standardized Factory Integration.* The system provides a unified control platform supporting both EFEM and sorter operational modes. While both modes share core hardware management and mini-environment control logic, EFEM mode prioritizes high-reliability synchronization and handshaking with process equipment, whereas sorter mode employs SECS/GEM protocol implementations for complex, host-managed logistics, control jobs, and substrate tracking.

(iii) *Motion Orchestration.* The system translates high-level host commands and protocol-level instructions into optimized, multi-path robotic trajectories, enabling precise wafer handling tailored to specific hardware configurations and process requirements.

(iv) *Advanced Lot Logistics.* The system incorporates specialized sorting algorithms for high-throughput operations, including one-to-many splitting, many-to-many merging, and lot consolidation across multiple loadports, utilizing customizable recipes and real-time substrate tracking.

The system's modular hardware abstraction layer provides a common architectural foundation for both EFEM and Sorter modes. In EFEM mode, the system functions as a critical gateway for process equipment, prioritizing environmental isolation and deterministic cycle synchronization to protect the process environment. In sorter mode, the system operates as an intelligent logistics hub, supporting complex lot optimization, dynamic reordering, and deep integration with manufacturing execution systems.

AMHS (Automated Material Handling System)

An AMHS is an intelligent semiconductor transfer system primarily comprising OHT vehicles, OHT railways, OHBs, stockers, and OLUS, along with peripheral equipment and software systems that automate the transportation, storage, and delivery of wafer carriers, improving material flow while reducing manual handling. It functions as an automated logistics system that spans the entire wafer manufacturing process, controlling and managing the "traffic" of wafers and other equipment automatically in modern fabrication plants. By deploying AMHS, fabrication plants achieve seamless material flow between semiconductor manufacturing equipment while reducing manual intervention and minimize contamination risks and operational downtime. AMHS is also applicable in the processes of wafer packaging, assembly and inspection. Our customers are primarily wafer foundries focusing on front-end process of 12-inch wafers, especially for advanced process nodes.

Our AMHS consists of three principal modules: hardware execution units, peripheral equipment and software systems, all of which are self-developed. Specifically:

(i) Hardware execution units mainly consist of proprietary (a) OHT vehicles; (b) OHT railways; (c) OHBs; (d) stockers; (e) OLUS;

(ii) Peripheral equipment mainly consists of proprietary stockers; and

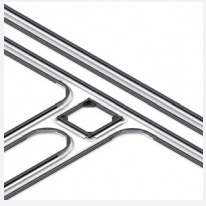
(iii) Software systems mainly consist of proprietary (a) main control processor (MCP); (b) zone control unit; and (c) simulation system.

The transport hardware and its sub-components physically move the wafers, wafer carriers, and other materials to different destinations in the fabrication plants. The storage equipment provides cleanrooms, in conjunction with OHT railway in the air, for storage of wafer carriers between different semiconductor manufacturing equipment. The software control systems give accurate motion signals to and coordinate the movements of transport hardware and storage equipment in AMHS.

The major transport hardware and storage equipment components of our AMHS has received certification of compliance issued by SEMI, a global industry organization setting voluntary technical agreements between suppliers and customers, aiming at improving product quality and reliability at a reasonable price and steady supply. As SEMI Standards are widely adopted by semiconductor industry, our AMHS is compatible with the semiconductor manufacturing equipment in most fabrication plants.

AMHS moves wafers more efficiently between different semiconductor manufacturing equipment, leading to improvement in the overall productivity of fabrication plants. Compared to traditional manual handling, AMHS on average increases the efficiency of moving wafers and other equipment in fabrication plants by approximately 30% and improves the overall productivity of fabrication plants by more than 10%, according to F&S.

The following table sets forth details of the major transport hardware and storage equipment components in our AMHS:

Major Components	Description of Features	
➢ OHT railway . . .	• A ceiling-mounted railway network deployed in fabrication plants that transports wafer carriers above the production floor, eliminating ground-level traffic interference and enhancing both transport efficiency and cleanroom integrity. • According to the specific production environments, we provide customizable OHT railway design.	
➢ OHT vehicles . . .	• A vital component of AMHS, widely adopted in semiconductor manufacturing and related industries. Utilizing a ceiling-mounted track network, OHT vehicles transport various wafer carriers, including FOUPs, FOSBs, frame cassettes, reticle pods, and other cassette types.	

Major Components	Description of Features	
➢ Nitrogen purging equipment .	• An equipment that enhances cleanliness by introducing nitrogen to the target equipment. Our nitrogen purging equipment is installed by default on OHB, and support OHB with two to four loadports. • The device enhances cleanliness by introducing nitrogen to the target equipment. The nitrogen-purge module is factory-installed on the OHB and, in its standard configuration, supports four loadports for mounting on a four-port OHB. Variants are available for two-port or three-port OHBs.	
➢ Overhead hoist buffer (OHB). . . .	• An automated wafer carrier storage device installed on both sides of OHT railway for the purpose of temporary storage or transport of materials in semiconductor manufacturing.	

Our AMHS has demonstrated industry-leading performance in real-time production environments. The following table outlines the key operational parameters and specification of our AMHS:

No.	Function / Parameter	Specifications
1.	Operational speed with precise positioning.	5.0 m/s
2.	OHT cart load capacity	16 kg
3.	Dispatching capacity per hour	≥ 2,000 dispatches/hour
4.	Vibration suppression level (straight railway).	≤ 0.5 g
5.	Vibration suppression level (curved railway)	≤ 0.5 g
6.	Uptime	99.99%
7.	MTBF	≥ 2,000 h
8.	MTTR	≤ 0.5 h

According to F&S, the specifications of items 1 to 4 above meet the corresponding specifications of comparable AMHS offered by leading international manufacturers as of the Latest Practicable Date. The specifications of items 5 to 8 above meet the corresponding specifications of comparable AMHS offered by leading domestic manufacturers as of the Latest Practicable Date. These specifications collectively demonstrate the advanced capabilities and reliability of our AMHS, positioning it at the forefront of both international and domestic standards for semiconductor manufacturing automation.

Our AMHS is compatible with both front-end and back-end processes in semiconductor manufacturing. We produce and provide highly customizable AMHS for fabrication plants according to the specific manufacturing environments and fabrication requirements predefined by our customers. In semiconductor manufacturing processes, our AMHS handles the information flow input by our customers and converts it into the logistic flow of transport hardware and storage equipment. This significantly reduces manual intervention and labor input while guaranteeing the stability of production processes and quality and lowering manufacturing costs.

The logistics coordination capability of our AMHS is underpinned by our proprietary software-control system. The AMHS software-control system is responsible for orchestrating and optimizing material flow within manufacturing, warehousing, and distribution environments. Through the coordinated operation of the main control processor (MCP) and the material control system (MCS), our AMHS software-control system interfaces with materials-logistics data from the MES production-scheduling system and integrates with hardware such as process equipment, racks, and automated storage and retrieval systems, enabling automated material handling, sorting, storage, and retrieval with minimal manual intervention. Key features of our AMHS software-control system include:

(i) Transport job management and execution;

(ii) Material tracking and identification;

(iii) Integration and coordination;

(iv) Monitoring, optimization, and reporting; and

(v) Efficiency and safety enhancements.

Semiconductor Packaging Automation Equipment

In December 2023, we acquired a Malaysia-based company engaged in the research and development, manufacturing and sale of certain semiconductor packaging automation equipment. The acquisition extended our product offering into the back-end segment of the semiconductor value chain. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

Wafer packaging is the set of processes used to protect semiconductor chips and provide electrical connections after wafer fabrication and before the chips are assembled into end products. Our semiconductor packaging automation equipment provides support for semiconductor packaging automation. Our major products primarily include (i) packers, (ii) unpackers, (iii) wafer mounters and (iv) wafer detapers.

Set forth below is a summary of our major semiconductor packaging automation equipment:

Type of Equipment	Description and Major Applications	Our Equipment
Packers/ Unpackers . . .	The equipment is used to automatically load and unload wafers into or out of specialized wafer carriers—such as FOUPs and FOSBs—facilitating the transfer of wafers between fabrication plants and outsourced semiconductor assembly and test facilities.	
Wafer mounters/ detapers	The equipment used to mount wafers onto supporting films or frames for processes such as dicing, thinning, inspection, or packaging, and to subsequently remove the adhesive tape applied during mounting.	

Technical Services and Others

In the context of China's ongoing policy initiatives to promote semiconductor self-sufficiency and domestic substitution, an independent, third-party semiconductor equipment service market has developed alongside the expansion of domestic wafer fabrication capacity. Third-party service providers offer installation, repair and maintenance services for semiconductor manufacturing equipment as an alternative to services provided directly by original equipment manufacturers. Drawing on our technical expertise in semiconductor manufacturing equipment, we provide technical services to domestic wafer foundries and semiconductor equipment manufacturers in China, focusing primarily on etching and metrology equipment, which are among the principal categories of equipment used in the front-end semiconductor manufacturing process. See "Industry Overview—Market Size of Intelligent Semiconductor Transfer System" for further details on market trends in the semiconductor equipment service sector. Details of our services are set forth below:

- ***Installation***. We provide installation services for semiconductor manufacturing equipment used in fabrication plants, covering both first-time setup and equipment relocation.

- ***Repair***. We assist customers in diagnosing and troubleshooting their semiconductor manufacturing equipment, including both hardware and software issues. For hardware issues, we replace malfunctioned components in the semiconductor manufacturing equipment, including high-voltage or low-voltage power supplies, image processors, signal collectors, vacuum controllers, wafer transfer modules. For software issues, we assist customers with image calibration, vacuum environment control, wafer transfer calibration, signal transmission and reception configuration, cooling function adjustment, particle source diagnosis and cleaning, etc.

- ***Maintenance services***. We also offer regular maintenance services for semiconductor manufacturing equipment to ensure optimal performance and longevity of wafer foundries and semiconductor equipment manufacturers.

We tailor our technical services to meet customer requirements, including component replacement. We procure components from third-party suppliers and issue bundled invoices that combine service fees and components procurement costs. We generally determine the price of our technical services with customers on a case-by-case basis.

MANUFACTURING

Overview

We operate manufacturing bases in China and Malaysia specializing in the manufacturing of intelligent semiconductor transfer system and semiconductor packaging automation equipment, respectively. As of December 31, 2025, our manufacturing bases had a total GFA of 59,794 sq.m. We have designed the integration of digital workflows and real-time monitoring across our manufacturing operations to support process accuracy, production stability, and cost efficiency at scale.

Our Manufacturing Bases

As of December 31, 2025, we had two manufacturing bases in China for intelligent semiconductor transfer system and one in Malaysia for semiconductor packaging automation equipment. Details of our manufacturing bases are set forth below:

Facilities	Location	Operational Commencement Year	Aggregate GFA	Product Categories
			(sq.m.)	
Haining manufacturing base	Haining, Zhejiang province, China	2024	51,112	Wafer transfer equipment and AMHS
Shanghai manufacturing base[(1)]	Shanghai, China	2021	7,694	Wafer transfer equipment and AMHS
Malaysia manufacturing base	George Town, Penang, Malaysia	2007[(2)]	988	Semiconductor packaging automation equipment

Notes:

(1) We relocated our Shanghai manufacturing base to the current premise in October 2024 to improve efficiency of our manufacturing facilities. Our previous Shanghai manufacturing base was located in the same industrial park as our current facility.

(2) We completed acquisition of Waftech in December 2023. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

Haining manufacturing base

Shanghai manufacturing base

Malaysia manufacturing base

Our Manufacturing Capacity

The following table sets forth the designed capacity, production volume and capacity utilization rate of our manufacturing bases for the years indicated:

	Year Ended December 31,								
	2023			2024			2025		
	Designed capacity[1]	Production volume[2]	Utilization Rate[3]	Designed capacity[1]	Production volume[2]	Utilization rate[3]	Designed capacity[1]	Production volume[2]	Utilization rate[3]
	(Unit)	*(Unit)*	*(%)*	*(Unit)*	*(Unit)*	*(%)*	*(Unit)*	*(Unit)*	*(%)*
Haining manufacturing base[4]	N/A[8]	N/A[8]	N/A[8]	200	156	78.0	400	306	76.5
Shanghai manufacturing base[5][6]	180	152	84.4	170	166	97.6	120	114	95.0
Malaysia manufacturing base[7]	N/A[9]	N/A[9]	N/A[9]	12	5	41.7	24	21	87.5

Notes:

(1) Our designed production capacity is a comprehensive calculation benchmark, determined by taking into account the area of our cleanrooms in operation, scheduled equipment maintenance and potential downtime, and employee working hours. The production capacity for each year is calculated based on the hourly capacity and working hours in a given year.

(2) The actual number of equipment units completed during the year, plus the year-end work-in-progress quantity multiplied by a 50% equivalent completion ratio, minus the prior year-end work-in-progress quantity calculated using the same equivalent completion ratio.

(3) We calculate the utilization rate by dividing production volume by the production capacity for the same years.

(4) Including only the equipment (EFEMs and sorters) and excluding components produced at the Haining manufacturing base.

(5) Including only the equipment (EFEMs and sorters) and excluding components produced at the Shanghai manufacturing base.

(6) Including the manufacturing capacity of our previous manufacturing base in Shanghai before October 2024. We relocated our Shanghai manufacturing base to the current premise in October 2024 to improve efficiency and reallocated certain manufacturing capacity from Shanghai to Haining.

(7) Including only the equipment (semiconductor packaging automation equipment) and excluding components produced at the Malaysia manufacturing base.

(8) Our Haining manufacturing base commenced operation in July 2024.

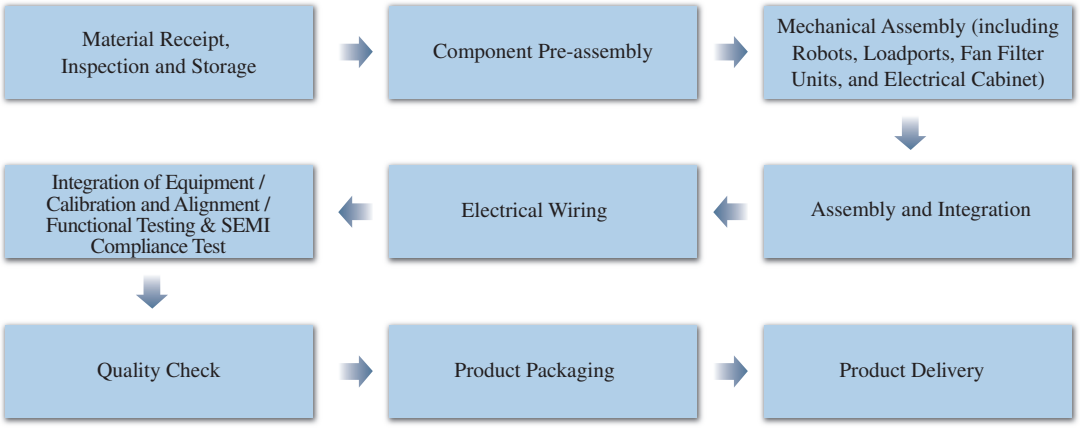
(9) We completed the acquisition of Waftech in December 2023. See "History, Development and Corporate Structure —Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

We plan to enhance our production capacity layout in Chinese mainland to keep pace with the growing market demands. See "—Growth Strategies" and "Future Plans and Use of **[REDACTED]**—Use of **[REDACTED]**" for more about our production expansion plan.

Our Manufacturing Process

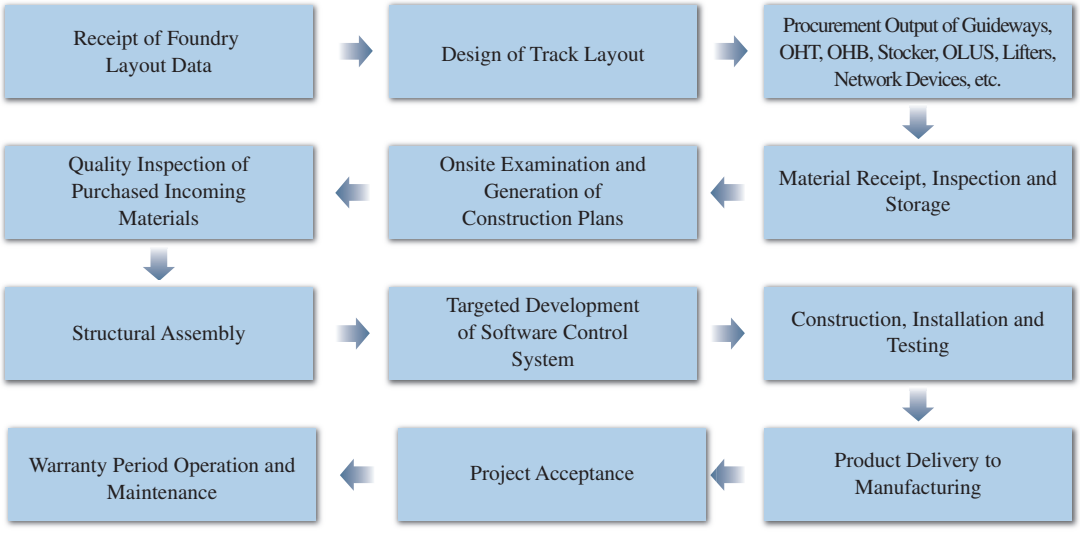
Manufacturing of semiconductor transfer equipment, AMHS, and semiconductor packaging automation equipment involve a series of complex and precisely controlled process steps that transform raw materials and other components into fully functional equipment. The manufacturing cycle typically ranges from two to six months, depending on the technological specification and the complexity of the manufacturing process. The specific manufacturing cycles and manufacturing processes of our major products are set forth below:

EFEM/Sorter/Semiconductor Packaging Automation Equipment



For EFEMs, sorters, and semiconductor packaging automation equipment, the manufacturing cycle typically ranges from two to four months from the receipt of an order.

AMHS



For AMHS, the entire manufacturing (including construction and installment) cycle typically ranges from three to six months from the receipt of an order.

Manufacturing Management

We are committed to the continual development of production process techniques to enhance manufacturing and production management capabilities. We have developed a digital production-planning system that optimizes production scheduling, and facilitates real-time quality monitoring. We rely on our in-house technicians to conduct regular maintenance work to ensure the safe and proper operations of our equipment and production line. During the Track Record Period and as of the Latest Practicable Date, we did not encounter any major interruptions in the production process due to facility or equipment failures or malfunction, nor did we experience any major accidents.

Our production facilities and equipment are subject to regular, scheduled maintenance in accordance with established maintenance plans. We maintain and continuously update internal procedures tailored to the specific operational requirements and features of each piece of equipment, ensuring long-term reliability and operational excellence.

QUALITY CONTROL

Quality control is integral to our manufacturing operations. Our customers in the semiconductor manufacturing industry require equipment that meets stringent standards of precision, consistency, and performance. Our quality control systems are designed to address those requirements. We have established and implemented quality control procedures in accordance with applicable international and industry standards. In particular, our EFEM production processes are subject to a series of quality control procedures aligned with the ISO 9001:2015 quality management standard, which are integrated into each stage of the manufacturing process.

We invested in implementing advanced equipment and latest technologies to enhance the accuracy and efficiency of our quality inspections. In addition, as our products are designed for extended operational use in demanding manufacturing environments, we have incorporated product performance tracking and a structured customer feedback mechanism into our quality control framework. Data collected through these channels is analyzed to inform ongoing adjustments to our quality control procedures and to support the refinement of our research and development efforts. See "—Research and Development" for further details.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any dispute in relation to our product quality that caused material and adverse impact to our business operations.

OUR KEY TECHNOLOGIES

Technology is the cornerstone of our development. Through in-house research and development, we have developed a portfolio of core technologies and proprietary hardware and software solutions for our intelligent semiconductor transfer system. These technologies collectively form the technological foundation of our product offerings and enable us to deliver intelligent semiconductor transfer system that meets the stringent precision and efficiency requirements of wafer fabrication environments. The table below sets forth our core technologies, each of which was developed in-house.

Core Technologies	Technical Features and Applications
Wafer transfer-related:	
➢ Atmospheric wafer-handling robot	• a semiconductor component used for precision wafer transfer and handling in atmospheric environments; • featuring a multi-axis motion architecture engineered for specialized scenarios, including high-reach and heavy-payload applications, with a vertical stroke covering 400mm to 1,320mm and a payload capacity from 200g to 2,500g; • incorporating an integrated high-rigidity mechanical motion system refined through structural simulation and optimization, enabling the equipment to meet the stringent requirements of both mature-node front-end integrated circuit and advanced nodes at 7nm and below; and • utilizing a proprietary control system design with autonomous interpolation matching logic tailored for our in-house hardware architecture, ensuring high-precision movement control.
➢ Vacuum wafer-handling robots	• a semiconductor component used for high precision wafer transfer and handling in vacuum environments; • featuring a dual-configuration vacuum motion feedthrough supporting both ferrofluidic sealing and direct-drive technologies, with both structures designed and manufactured entirely in-house to achieve full technical autonomy; and • utilizing a proprietary control system design based on autonomous interpolation matching logic, specifically optimized for our vacuum-grade hardware motion structures.

Core Technologies	Technical Features and Applications
➢ A TAIKO wafer transfer solution utilizing a self-friction method	• a semiconductor wafer handling technology designed for the transfer of ultra-thin wafers with enhanced stability and reliability • capable of transferring TAIKO wafers (special wafers, with the thinnest thickness of 50μm) by leveraging self-friction lifting and limiting technology; and • achieving high operational reliability with a MTBF exceeding 10,000 hours.
➢ Software-hardware decoupled automation	• a semiconductor equipment control architecture designed to separate the software layer from the underlying hardware platform; and • creating a universal, hardware-agnostic control "brain" for equipment.
➢ Bernoulli end effector	• an advanced robotic gripping technology designed for non-contact wafer transfer and handling, enabling safe and reliable manipulation of ultra-thin and fragile wafers; • utilizing airflow and vacuum-based lifting mechanisms based on Bernoulli principles to achieve non-contact pick-and-place operations; and • supporting the handling of delicate and flexible wafers by minimizing mechanical stress and reducing the risk of damage during transfer.
➢ Cleanliness control technology	• a semiconductor process and equipment technology designed to maintain ultra-clean microenvironments in wafer handling and transfer systems; • achieving ultra-clean microenvironment conditions through the adoption of air curtains, high-filtration-grade FFUs, vacuum extraction, and optimized seam designs; • maintaining EFEM/Sorter microenvironment cleanliness level exceeding Class 1, with particle requirements during wafer transfer process meeting <0.003 ea/cycle @ 0.021μm; and • enabling the production of nitrogen EFEM that meets the requirements for ultra-clean microenvironments at advanced process nodes below 2 nm.

Core Technologies	Technical Features and Applications
AMHS-related:	
➢ OHT map navigation	• a scalable and upgradable map information system embedded within each OHT vehicle for path planning, navigation and traffic management in OHT systems; • verifying and enhancing path planning accuracy, while establishing underlying methodology and data foundation underlying methodology and data foundation autonomous navigation and advanced route planning; and • critical in OHT systems to support real-time traffic congestion avoidance under complex routing conditions OHT systems to support real-time traffic congestion avoidance under complex routing conditions, ensuring operational safety, and dynamically optimizing transport efficiency through continuous system evolution.
➢ OHT vehicles design	• a modular and platform-based system architecture design approach for OHT vehicles, enabling scalable development, functional modularization and efficient system optimization; • adopting a parameterized, modular, and platform-based design method; • enabling scalable adaptation to accommodate different wafer carrier types while facilitating future iterative upgrades; and • supporting the development of new functional vehicle models and significantly shortening the development cycle.

Core Technologies	Technical Features and Applications
➢ Modular railway design technology	• a semiconductor infrastructure design technology for railway systems in fabrication plants; • enabling rapid planning, manufacturing and installation of fab railway systems; and • maintaining the structural integrity and quality standards of the railway system, smooth OHT operation and effective vibration suppression.
➢ Redundant high-reliability technology	• a semiconductor equipment control and system reliability technology designed to ensure stable, accurate and safe operation of OHT systems through multi-level redundancy and monitoring mechanisms; • at the hardware level, redundant sensor architecture and built-in dual-channel redundant communication systems are adopted to ensure the high reliability of internal data acquisition and transmission within OHT systems; • at the control level, synchronous heartbeat monitoring technology is employed to ensure real-time synchronization of data monitoring and processing; and • at the safety level, multi-sensor fusion technology combined with hardware-software interlocking mechanisms is utilized to further enhance the reliability of safety detection and control, thereby ensuring the safe operation of OHT systems.
➢ Active-active network architecture technology	• a semiconductor equipment control and communication architecture technology designed to ensure high availability and load-balanced operation of AMHS systems through distributed processing and real-time synchronization; and • enabling load sharing across nodes in AMHS dispatching scenarios, supported by real-time state synchronization, to distribute computing and communication workloads, thereby enhancing system throughput and overall operational efficiency.

Core Technologies	Technical Features and Applications
➢ AMHS zone control unit	• a semiconductor equipment control technology for localized dispatching and traffic management in AMHS systems, designed to enable intelligent coordination and autonomous operation of OHT; • enabling intelligent task dispatching, traffic control and vehicle scheduling through the AMHS zone control unit, which is built on advanced, self-developed algorithms, supporting highly autonomous and internally controllable OHT operations; and • ensuring safe OHT operation while enabling the system to effectively handle large-scale material transport and provide real-time response to random operational events.
Packaging Automation-related:	
➢ Automation framework Gen 3	• a semiconductor equipment software platform for wafer packaging designed to enable intelligent, flexible and automated wafer packaging operations across different production scenarios; • integrating advanced functionalities such as wafer ID recognition, cross-slot detection and dual-wafer fork coordination to enhance wafer tracking accuracy and reduce handling errors; • enabling flexible production by supporting rapid switching between different wafer sizes and types, thereby improving adaptability to evolving manufacturing requirements; and • providing a centralized and intelligent control platform, improving operational efficiency and ensuring stable, reliable production performance.

RESEARCH AND DEVELOPMENT

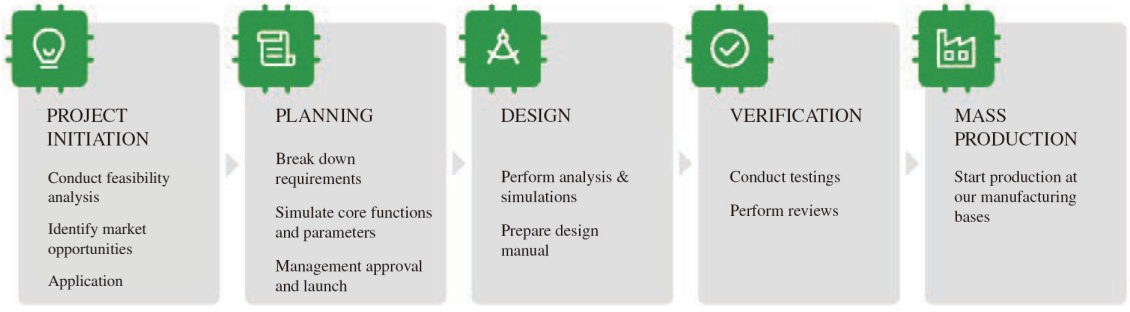
R&D are fundamental to sustaining our market-leading position and driving long-term growth, enabling us to respond to the evolving requirements of wafer manufacturing in a timely manner. We focus on in-house development of core technologies.

As of December 31, 2025, we had a robust R&D team of 145 experienced technical professionals, representing 27.7% of our total headcount. Many of our R&D personnel are seasoned semiconductor-related engineers with deep expertise in technology and materials innovation. In 2023, 2024, and 2025, our research and development expenses amounted to RMB41.4 million, RMB59.6 million, and RMB47.1 million, respectively, representing 31.0%, 19.3% and 9.0% of our total revenue in the respective years, underscoring our strong commitment to technological advancement.

Our R&D Mechanism

As a technology-driven company, we have established GONA Academy—an internal R&D center focusing on advanced development of semiconductor technologies—in 2025. GONA Academy monitors and analyzes the semiconductor industry's macro development roadmap over the next three to five years, and provides the Board with strategic recommendations on future product development and new market entry. It also leads pre-project feasibility studies for new products, including market and competitor research, as well as feasibility testing conducted independently or in collaboration with strategic partners.

Our comprehensive R&D management system aligns our internally developed products with our business growth target and the demand of our customers. We govern the system by clearly defined policies and procedures that delineate the roles, responsibilities and workflows of each department involved in the development process. Our systematic and disciplined approach enables us to maximize resource efficiency, maintain rigorous technical standards and ensure that our development efforts remain focused on long-term platform development and commercial viability. The following illustrates key stages of our R&D process:



- ***Project Initiation***. We conduct a comprehensive feasibility study covering market demands, competitive landscape, and key technologies. This allows us to assess market opportunities and potential returns. Once a project is deemed viable, our R&D team formally files project applications.

- ***Planning***. Our project leaders break down product requirements into detailed specifications. Our R&D team simulate core functions and parameters, while preparing a quality assurance plan. After management approval, the project moves to the design stage.

- ***Design***. We develop a design manual outlining (i) the overall architecture design; (ii) specific mechanical design; and (iii) modular architecture design to integrate hardware and software as a whole. In case of our other products, we follow a similar design route from overall architecture design to specific design of each part, and then modular architecture design.

- ***Verification***. We carry out a combination of inhouse and production tests to verify and validate our products. Major tests include (i) accuracy tests, (ii) cleanliness tests, (iii) reliability tests, (iv) hardware-software collaborative tests, (v) multi-fabrication-scenarios tests, and (vi) failure simulation tests. We generate a project completion report after verification.

- ***Mass Production***. Upon confirmation by our R&D team that the product has met mass production standards, we send the technological specifications and requirements to our manufacturing bases for mass production.

Key R&D Projects

During the Track Record Period, we undertook a number of research and development projects relating to our EFEMs, AMHS, and their key components. The table below sets forth selected research and development projects carried out during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, each of the projects set forth below remained in progress.

Projects	Target and Expected Applications
Wafer-transfer related:	
➢ Next-generation wafer transfer equipment for glass substrates in advanced panel level packaging (PLP)	Transfer equipment designed for glass substrates used in PLP, enabling high-precision, high-cleanliness and highly stable automated handling of large-size glass substrates throughout the packaging process.
➢ Pre-aligner	A high-precision wafer pre-aligner for semiconductor manufacturing and advanced packaging applications, enabling accurate positioning and orientation of wafers prior to processing. It integrates optimized mechanical design, multi-axis control and high-resolution edge detection to ensure precise and stable wafer alignment.
➢ Nitrogen EFEM	A wafer handling module designed to support material transfer for advanced semiconductor manufacturing processes at nodes below 3 nm. It creates an ultra-clean, oxygen-and moisture-free microenvironment through high-purity nitrogen, thereby reducing particle contamination and enhancing yield and defect control, and providing critical environmental assurance for advanced chip manufacturing.

Projects	Target and Expected Applications
➢ Vacuum transfer module ("**VTM**")	A platform designed for wafer transfer between multiple process chambers and the EFEMs, enabling seamless integration across different process steps. In a typical operation, a wafer is retrieved from the EFEM, aligned, and passed through a load lock into the VTM. A central vacuum robot within the VTM then transfers the wafer into designated vacuum process chambers—such as those used for etching or deposition. Once processing is complete, the wafer follows the reverse path back to the EFEM for unloading.
AMHS-related:	
➢ AMHS control and dispatch system (MCP/MCS)	The dispatching and control system in an AMHS, responsible for task assignment and OHT vehicle scheduling. They allocate tasks to the optimal OHT vehicle in the most efficient manner and monitor and direct each vehicle to complete pick-up, drop-off, and transport operations accurately and reliably.
➢ AI application in AMHS traffic control	Enhance the traffic control of OHT vehicles in AMHS through the integration of AI, improving overall material handling efficiency and reducing path congestion.
➢ E84 sensor	A key optical communication module used in AMHS to enable non-contact data exchange between transfer equipment and process equipment. It supports standardized handshaking and interlock functions to ensure safe and coordinated transfer of material carriers across equipment interfaces.
➢ OHT railway cleaning vehicle	Designed to automatically remove particle accumulation on OHT railway surfaces, leveraging MCP scheduled routing to operate alongside OHT systems while ensuring path accuracy through dual verification mechanisms, without disrupting routine material handling operations.
➢ AMHS data-driven simulation and optimization technology	An AMHS data-driven simulation and optimization framework designed to model system structure, control logic and operating conditions of AMHS. It enables analysis and optimization of material flow and system performance without disrupting real fab operations.

SALES AND MARKETING

We are actively expanding our sales network to reach a diverse customer base. We generate demand for our products primarily through our in-house sales and marketing team, which executes a wide range of targeted marketing activities to promote our product offerings. As of December 31, 2025, our pre-sales and after-sales team comprised 82 personnel.

Sales Model

We adopt a direct sales model—engaging customers and delivering products to them directly. Our sales team directly engages customers through business visits, on-site assessments, business negotiations, tender processes and industry exhibitions and conferences.

Our direct sales model enables us to engage closely with customers throughout the development and manufacturing of products, and to gain insights into their evolving technical requirements and application needs. Through frequent communication with customers, we are able to deliver customized intelligent semiconductor transfer system that address their specific performance, cost and time-to-market objectives. The direct sales approach also enhances communication efficiency, facilitates timely responses to customer demands and ensures greater transparency in project execution. By fostering consistent technical collaboration and reliable delivery performance, we have established long-term, trust-based relationships with leading domestic semiconductor equipment manufacturers and wafer foundries, which in turn reinforces recurring business opportunities and customer loyalty. Waftech also cooperated with selected channel partners outside Chinese mainland to promote and deliver our products to a broader customer base during the Track Record Period. This arrangement enabled us to expand customer outreach and gain deeper insights into overseas markets. Revenue contributions from such selected channel partners accounted for less than 0.2% of our total revenue in 2023, 2024 and 2025, respectively.

Pricing

The pricing strategy of our products and services is influenced by a number of factors, including technological complexity, market conditions, and underlying cost structures. Due to the highly customizable nature of our products and services, we generally determine the price with customers on a case-by-case basis, by adhering to primarily the following principles:

(i) the cost-oriented principle: We adopt a cost-plus pricing approach under which pricing is determined based on a comprehensive assessment of development, manufacturing, and operating costs. These costs primarily reflect the level of customization and technical complexity involved, the procurement of raw materials and other components, software licensing fees, as well as labor and overhead expenses. In addition, pricing takes into account our targeted gross profit margins;

(ii) the market-oriented principle: We take into account prevailing market dynamics such as supply-demand balance, customer concentration, and bargaining power;

(iii) the competition-oriented principle: We benchmark our pricing against comparable products in the market, and take into account the number and capability of rival suppliers, the degree of product differentiation, proprietary technology, and switching costs; and

(iv) the strategic orientation principle: In certain cases, we adopt strategic pricing based on long-term corporate objectives. These include accelerating market penetration in emerging segments, strengthening our market positioning, and promoting synergy with semiconductor manufacturing equipment companies and wafer foundries.

In practice, we adjust our selling prices dynamically based on the customer profile and market trends, usually on a case-by-case basis.

See "Financial Information—Results of Operations—Revenue—Breakdown by Type of Products and Services" for details of the average selling pricing of our major products.

After-sales Services

We place great importance on after-sales service and have established unified service policies with flexibility tailored to the specific characteristics of each business line. We provide nationwide after-sales and technical support to help customers operate our core products efficiently and reliably. Service requests are classified into four levels, ranging from critical outages to routine technical inquiries, with defined response timeframes from immediate action to four hours or the scheduled appointment time. We coordinate regional field application engineer team, R&D, product management, and senior operations leadership to diagnose issues, deploy resources, and implement remote or on-site solutions. Dedicated service teams from the nearest subsidiaries or branches are assigned to relevant customers and conduct regular visits to gather feedback and continuously improve service quality. For major or unresolved issues, we escalate after-sales issues to senior management level by level at defined milestones, including 16, 24, and 48 hours, until full resolution is achieved.

Marketing Strategies

Our sales and marketing team oversees the development and execution of our marketing strategies and campaigns, working closely with other departments to ensure a coordinated approach. We have achieved brand awareness and continuously generated customer leads through word-of-mouth referrals by our existing customers. In addition, our sales and marketing teams seek as to expand our customer base through presenting our strength and showcasing our products at industry conventions and forums.

OUR CUSTOMERS

Major Customers

We have built a solid, stable partnership with a solid customer base, including leading domestic market players in the semiconductor industry. Our major customers include semiconductor manufacturing equipment companies, IDM companies, and wafer foundries. We establish cooperation with our major customers directly.

The table below sets forth certain key information about our customers during the Track Record Period:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of revenue-generating customers	46	63	85
Customer retention rate (%)[1]	N/A	67.4	65.1
Customer net dollar retention rate (%) [2]	N/A	237.0	146.2
Average transaction value *(RMB'000)*[3]	2,898	4,904	6,135

Notes:

(1) The percentage of customers in the previous year that made repeat purchases during the current year.

(2) Calculating by revenue recognized in a given year from customers who were also customers in the immediately preceding year, divided by the revenue from those same customers in the preceding year, expressed as a percentage.

(3) Calculating by dividing our revenue by the number of customers in a given year.

Top Customers During the Track Record Period

In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each period was RMB80.2 million, RMB261.3 million, and RMB361.2 million, respectively, representing 60.1%, 84.6%, and 69.3% of our total revenue, respectively. During the same years, our revenue from the single largest customer in each year during the Track Record Period was RMB24.1 million, RMB183.3 million, and RMB207.8 million, representing 18.1%, 59.4%, and 39.8% of our total revenue, respectively.

The following tables set forth the details of our top five customers during the Track Record Period:

Rank	Customers	Products/ Services provided	Background	Year of commencement of business relationship	Credit terms	Revenue	Percentage of total revenue
						(RMB'000)	
Year ended December 31, 2023							
1.	Customer A	Technical services and components	A Wuhan-based state-owned large memory manufacturer	2021	30 to 60 days	24,075	18.1%
2.	Customer B	EFEM	A Beijing-based state-owned large semiconductor manufacturing equipment company listed on the Shenzhen Stock Exchange	2020	30 to 90 days	22,713	17.0%
3.	Customer C	EFEM	A Beijing-based semiconductor design and manufacturing company	2021	30 days	13,996	10.5%
4.	Customer D	EFEM and components	A Shenzhen-based multinational corporation and technology company	2022	Payment upon receipt of products	10,156	7.6%
5.	Customer E	EFEM and components	A Shanghai-based semiconductor coating / sputtering equipment company	2021	30 to 60 days	9,251	6.9%
	Total					**80,191**	**60.1%**

Rank	Customers	Products/ Services provided	Background	Year of commencement of business relationship	Credit terms	Revenue	Percentage of total revenue
						(RMB'000)	
Year ended December 31, 2024							
1.	Customer B	EFEM	A Beijing-based state-owned large semiconductor manufacturing equipment company listed on the Shenzhen Stock Exchange	2020	30 to 90 days	183,348	59.4%
2.	Customer A	Technical services and components	A Wuhan-based state-owned large memory manufacturer	2021	30 to 60 days	42,613	13.8%
3.	Customer F	EFEM and components	A Tianjin-based state-owned large semiconductor manufacturing equipment company listed on the Shanghai Stock Exchange	2021	60 to 90 days	14,149	4.6%
4.	Customer D	EFEM and components	A Shenzhen-based multinational corporation and technology company	2022	Payment upon receipt of products	13,345	4.3%
5.	Customer G	Technical services and components	A Hefei-based large memory manufacturer	2024	30 days	7,820	2.5%
	Total					**261,275**	**84.6%**

Rank	Customers	Products/ Services provided	Background	Year of commencement of business relationship	Credit terms	Revenue	Percentage of total revenue
						(RMB'000)	
Year ended December 31, 2025							
1.	Customer B	EFEM	A Beijing-based state-owned large semiconductor manufacturing equipment company listed on the Shenzhen Stock Exchange	2020	30 to 90 days	207,818	39.8%
2.	Customer A	Technical services and components	A Wuhan-based state-owned large memory manufacturer	2021	30 to 60 days	52,572	10.1%
3.	Customer C	EFEM	A Beijing-based semiconductor design and manufacturing company	2021	30 days	45,719	8.8%
4.	Customer H	EFEM	A Beijing-based state-owned semiconductor manufacturing equipment company listed on the Shanghai Stock Exchange	2022	30 to 60 days	29,138	5.6%
5.	Customer I	EFEM	A Beijing-based state-owned semiconductor manufacturing equipment company	2022	30 to 60 days	25,964	5.0%
	Total					**361,211**	**69.3%**

To the best of our knowledge, all our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Salient Terms of Agreements with Customers

The salient terms of our standard sales agreements with major customers are set out below:

Salient terms	Descriptions
Duration	Typically one to three years, subject to renewal upon mutual consent.
Scope of work	The customers engage us to design, develop and manufacture the requested equipment. We provide the ordered equipment in accordance with the specifications detailed in the purchase order.
Logistics	We generally deliver equipment to the locations designated by customers and bear the associated costs and risks.
Payment and credit term	The payment is due when customers confirm acceptance of our products. We generally grant our customers a credit period of approximately 30 to 90 days.
Product warranty	Usually 12 to 24 months from the date of acceptance. We generally do not accept product returns or exchanges unless the product quality issue is attributable to us.
Termination	The agreements may be terminated upon expiry, by either party at any time with prior written notice, or by mutual consent.

Relationship with Major Customer(s)

During the Track Record Period, we sold our products and provided technical services mainly to leading semiconductor manufacturing equipment companies, IDM companies, and wafer foundries located in China. In 2023, 2024, and 2025, revenue generated from Customer B, one of our largest customers during the Track Record Period, amounted to RMB22.7 million, RMB183.3 million, and RMB207.8 million in 2023, 2024, and 2025, representing 17.0%, 59.4%, and 39.8% of our total revenue in the same years, respectively. We have formed a stable and long-term relationship with Customer B. We first established our collaboration with Customer B in 2020 and have continued to expand the scale of our collaboration with Customer B each year since then. We successfully renewed and entered into a three-year framework agreement with Customer B during the Track Record Period. Our equipment sales to Customer B continued to increase during the Track Record Period mainly because of (i) the rapid business growth of Customer B and its increasing demand for more EFEMs in its production lines; and (ii) our enhanced product quality and service capabilities that meet the manufacturing needs of Customer B. Nevertheless, revenue attributable to Customer B as a percentage of our total revenue dropped significantly from 2024 to 2025, as we expanded our customer base and generated more revenue from other major customers, resulting in less reliance on Customer B.

According to F&S, it is common in the global semiconductor industry for a wafer transfer equipment manufacturer to generate a sizable percentage of its revenue from a single or few customers, because such customers hold leading market positions and exhibit strong demand.

OUR SUPPLIERS

We engage suppliers primarily for procurement of raw materials and other components for the manufacturing of our products. Major raw materials and other components that we procure from suppliers include wafer-handling robots, loadports, fan filter units, aligners, industrial computing hardware, and other mechanical and electrical parts, motors, and sensors. We also contracted specialized vendors to manufacture certain semifinished products to enhance our manufacturing efficiency and reduce the relevant costs. See "—Our Suppliers—Supply Chain Management."

Top Suppliers During the Track Record Period

In 2023, 2024 and 2025, our purchase from the five largest suppliers in each year was RMB59.8 million, RMB159.4 million, and RMB187.2 million, respectively, representing 57.0%, 57.8%, and 53.3% of our total purchase, respectively. During the same years, our purchase from the single largest supplier in each year during the Track Record Period was RMB23.4 million, RMB78.2 million, and RMB87.3 million, representing 22.3%, 28.4%, and 24.8% of our total purchase, respectively.

The following tables set forth the details of our top five suppliers during the Track Record Period.

Rank	Suppliers	Products/ services purchased	Background	Year of commencement of business relationship	Credit terms	Purchase amount	Percentage of total purchase
						(RMB'000)	
Year ended December 31, 2023							
1.	Supplier A	Loadports	A Nanjing-based company primarily engaged in distribution and sale of imported semiconductor manufacturing components	2020	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance • Final payment typically within 30 days upon acceptance	23,413	22.3%
2.	Supplier B	Wafer-handling robots	A Japanese multinational company primarily engaged in the manufacturing of servos, motion controllers, alternating current (AC) motor drives, switches and industrial robots	2020	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance • Final payment typically within 30 days upon acceptance	19,044	18.1%
3.	Supplier C	Wafer-handling robots	A Suzhou-based company primarily engaged in distribution and sale of industrial robots	2021	• Initial payment upon signing contract • Milestone payment before delivery	9,923	9.5%
4.	Supplier D	Rack and sheet metal	A Jiaxing-based industrial equipment processing and manufacturer	2021	• A one-time full payment shall be made within 30 days upon acceptance	3,918	3.7%
5.	Supplier E	Loadports	A Shanghai-based company primarily engaged in distribution and sale of semiconductor and pharmaceutical products	2021	• Initial payment upon signing contract • Milestone payment before delivery • Final payment typically within 30 days upon acceptance	3,534	3.4%
	Total					**59,832**	**57.0%**

Rank	Suppliers	Products/ services purchased	Background	Year of commencement of business relationship	Credit terms	Purchase amount	Percentage of total purchase
						(RMB'000)	
Year ended December 31, 2024							
1.	Supplier A	Loadports	A Nanjing-based company primarily engaged in distribution and sale of imported semiconductor manufacturing components	2020	• Initial payment upon signing contract • Milestone payments upon performance of services and/or acceptance	78,216	28.4%
2.	Supplier B	Wafer-handling robots	A Japanese multinational company primarily engaged in the manufacturing of servos, motion controllers, alternating current (AC) motor drives, switches and industrial robots	2020	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance • Final payment typically within 30 days upon acceptance	57,308	20.8%
3.	Supplier F	Rack and sheet metal	A Jiaxing-based industrial equipment processing and manufacturer	2021	• A one-time full payment shall be made within 30 days upon acceptance	9,218	3.3%
4.	Supplier C	Wafer-handling robots	A Suzhou-based company primarily engaged in distribution and sale of industrial robots.	2021	• Initial payment upon signing contract • Milestone payment before delivery	8,326	3.0%
5.	Supplier E	Loadports	A Shanghai-based company primarily engaged in distribution and sale of semiconductor and pharmaceutical products	2021	• Initial payment upon signing contract • Milestone payment before delivery • Final payment typically within 30 days upon acceptance	6,334	2.3%
	Total					**159,402**	**57.8%**

Rank	Suppliers	Products/ services purchased	Background	Year of commencement of business relationship	Credit terms	Purchase amount	Percentage of total purchase
						(RMB'000)	
Year ended December 31, 2025							
1.	Supplier A	Loadports	A Nanjing-based company primarily engaged in distribution and sale of imported semiconductor manufacturing components	2020	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance • Final payment typically within 30 days upon acceptance	87,252	24.8%
2.	Supplier B	Wafer-handling robots	A Japanese multinational company primarily engaged in the manufacturing of servos, motion controllers, alternating current (AC) motor drives, switches and industrial robots	2020	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance • Final payment typically within 30 days upon acceptance	56,169	16.0%
3.	Supplier C	Wafer-handling robots	A Suzhou-based company primarily engaged in distribution and sale of industrial robots	2021	• Initial payment upon signing contract • Milestone payment before delivery	17,791	5.1%
4.	Supplier G	Wafer-handling robots	A Japanese multinational company primarily engaged in the manufacturing of industrial robots	2024	• Initial payment upon signing contract • Milestone payment before delivery	13,029	3.7%
5.	Supplier H	Wafer-handling robots	Shanghai-based company primarily engaged in distribution and sale of semiconductor components	2025	• Initial payment upon signing contract • Milestone payments upon delivery and/or acceptance	12,950	3.7%
	Total					**187,191**	**53.3%**

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year during the Track Record Period.

Salient Terms of Agreements with Suppliers

The terms of the agreement with our major suppliers align with standard commercial practices. The salient terms of such agreements are as follows:

Salient terms	Descriptions
Duration	We place purchase orders with suppliers on an as-needed basis, and typically our orders have no fixed term.
Scope of supply	For the purchase of raw materials and other components, each purchase order issued to our suppliers specifies the product name, brand, specifications, price, quantity, delivery schedule and other relevant details.
Payment and credit term	Payment terms granted by our suppliers vary depending on a number of factors, including the size of the transactions and the types of products and services purchased. We are generally required to settle payments to our major suppliers by installments. Certain suppliers also grant us credit terms.
Logistics	Suppliers are required to deliver qualifying products to our designated warehouses on a DDP (delivered duty paid) basis.
Quality assurance and return policy	Products are typically accepted in accordance with our specifications and quality, as well as national, local and industry standards. Our suppliers generally provide a warranty period of one year. For defective products, our suppliers will arrange replacements or compensate us for related losses.
Termination	The agreements may be terminated upon expiry, by either party at any time with prior written notice, or by mutual consent.

Supply Chain Management

Procurement of Raw Material and Other Components

Our business model requires the procurement of large volumes of raw materials and other components of a wide variety for the manufacturing of our products. We procure raw materials and other components mainly from suppliers in China and Japan.

We place purchase orders with suppliers on an as-needed basis, with price, volume, and other terms negotiated on a case-by-case basis. Suppliers typically charge us a fixed purchasing price for their products. The suppliers are typically responsible for the delivery of products to our designated locations specified in each purchase order, and we accept goods upon completion of inspections.

To optimize supply chain resources and effectively reduce overall procurement costs, we centrally purchase major raw materials and other components at the Group level, while our subsidiaries are responsible for procuring certain other materials necessary for their business. This centralized procurement approach allows us to leverage negotiation and pricing advantages.

Fluctuations in the market prices of raw materials and other components may have a significant impact on our business, results of operations, and financial condition. We have implemented several measures to mitigate the effects of procurement cost volatility and ensure stable supply, including: (i) actively expanding supply chain channels and prioritizing the integration of domestic suppliers to ensure supply chain resilience; (ii) enforcing a dynamic supplier management mechanism to maintain stable quality and continuity; (iii) refining our operational control through precise advanced procurement planning, inventory management, and technological cost reduction; and (iv) strengthening our internal monitoring and emergency response mechanisms to manage supply and price risks. Furthermore, to implement flexible pricing mechanisms, where there are material fluctuations in raw material prices, we adjust the selling prices of our products in a timely manner in accordance with changes in procurement costs. During the Track Record Period, we did not experience any material shortages of, delays in delivery of, or quality issues with respect to the supply of raw materials and other components.

For risks relating to our major suppliers, see "Risk Factors—Risks Relating to Our Business and Industry—An increase in prices of raw materials and other components or shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers."

Inventory Management

Our inventory consists primarily of raw materials and other components, work in progress, and finished goods. We set inventory levels mainly on the basis of anticipated demand, production schedules, and the volume of confirmed sales orders, following a "make-to-order with appropriate inventory" approach that reflects the demand profile of our semiconductor equipment customers.

We track inventory turnover days and settlement records on an ongoing basis to establish safe stock levels. For our principal products, we hold a safety stock of key components and sub-assemblies, calibrated to market demand and historical lead times for critical parts, so that we can fulfill customer orders without delay. Because these products are highly customizable, we manufacture to order, building to each customer's specifications and delivering on schedule to meet their requirements.

We also conduct regular inventory reviews to guard against overstocking, with particular attention to the shelf life and obsolescence risk of precision electronic and mechanical components. We perform periodic reviews of inventory levels, including bimonthly checks of high-value and key materials, and conduct quarterly and annual physical inventory counts with oversight from our finance department. As part of our routine management processes, our management team regularly reviews production and sales data and monitors inventory movements, and assesses whether adjustments to inventory levels are necessary. As of December 31, 2023, 2024 and 2025, we had inventories and contract costs of RMB169.0 million, RMB237.5 million and RMB289.7 million, respectively.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, Customer A, a state-owned large memory manufacturer and one of our five largest customers, was also a supplier to us. Our business relationship with Customer A first began in 2021 when we started selling sorters and components and later began providing technical services for its semiconductor manufacturing equipment in 2023. In 2024, we commenced leasing office premises at a facility located within Customer A's plant in Wuhan, Hubei province, to support the expansion of our on-site technical service operations for Customer A. According to F&S, it is common that large-scale high-tech manufacturers make office premises within their plants available to equipment and service providers to facilitate closer operational collaboration.

None of the sales to or purchases from this overlapping customer and supplier during the Track Record Period were inter-conditional, inter-related or otherwise regarded as a single transaction. All such transactions were negotiated on an arm's-length basis and conducted on fair and reasonable commercial terms. Revenue from Customer A in 2023, 2024, and 2025 was RMB24.1 million, RMB42.6 million and RMB52.6 million, respectively, accounting for 18.1%, 13.8% and 10.1% of our total revenue in the respective years. The purchase amount attributable to Customer A in 2023, 2024, and 2025 was RMB0.2 million, RMB1.3 million, and RMB1.2 million, respectively, accounting for 0.2%, 0.5%, and 0.3% of our total purchases in the respective years. Our gross profit attributable to Customer A in 2023, 2024 and 2025 was RMB10.7 million, RMB18.0 million, and RMB22.4 million, respectively, representing 29.8%, 19.7%, and 14.3% of our total gross profit in the respective years.

INTRA-GROUP TRANSACTIONS

We operate through subsidiaries in China and Malaysia. In the ordinary course of our business, we engage in various intra-group transactions to facilitate our operations. These transactions primarily consist of (i) sales of wafer transfer equipment, semiconductor packaging automation equipment and components; and (ii) provision of technical services. We design our transfer pricing policies to comply with the arm's-length principle as set forth in the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**") promulgated by the Organization for Economic Cooperation and Development (the "**OECD**"), an intergovernmental organization, and the applicable laws and regulations in the jurisdictions where we operate.

We have engaged an independent professional tax adviser (the "**Transfer Pricing Consultant**") to review our intra-group transactions during the Track Record Period. The Transfer Pricing Consultant selected the transactional net margin method ("**TNMM**") as the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the intra-group transactions were consistent with the arm's-length principle. TNMM compares the profit margin of the tested parties involved in the intra-group transactions with that of comparable independent parties. The Transfer Pricing Consultant has conducted a series of independent screening and benchmarking exercises, together with independent analyses, of the weighted average profit levels arising from the intra-group transactions.

After consultation with the Transfer Pricing Consultant, we believe that (i) our intra-group transactions were in line with the arm's-length principle under both the OECD Transfer Pricing Guidelines and the applicable local laws and regulations relating to transfer pricing in the relevant jurisdictions in all material respects; (ii) the risk of incurring a material transfer pricing-related income tax liability during the Track Record Period is remote; and (iii) the risk of being required to conduct a material transfer pricing adjustment and pay additional tax is remote. In addition, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to nor been aware of any material outstanding enquiries, audits, investigations or challenges by any tax authorities in relation to our intra-group transactions and transfer pricing arrangements.

BUSINESS SUSTAINABILITY

Through early strategic investments in R&D, innovation, and market expansion, we have built a foundation for sustainable growth in the semiconductor transfer system market and are progressing steadily toward breakeven and profitability as we continue to scale revenue and improve operating efficiency.

Early Efforts to Lay the Groundwork

Since our establishment, we have focused on developing wafer transfer technologies for leading wafer fabrication plants and semiconductor equipment manufacturers. We have also made strategic investments in the core technologies underpinning AMHS. These early investments have positioned us to capture opportunities in the fast-growing intelligent semiconductor transfer system market both domestically and internationally, and to successfully enter the AMHS market in 2025, which is becoming an increasingly important revenue source and a key driver of our future growth.

Rapid and Sustainable Development during the Track Record Period

During the Track Record Period, our revenue grew at a CAGR of 97.8% from RMB133.3 million in 2023 to RMB521.5 million in 2025, while our gross profit margin improved from 26.8% to 30.1% and our net loss margin narrowed from 61.4% to 2.4%, driven primarily by our expanded customer base, deepened collaboration with major customers, and economies of scale. We plan to maintain our rapid and sustainable development through prudent business management, which we expect will support our transition to net profitability in the future.

Analysis of Historical Losses

Notwithstanding the above rapid and sustainable development in our results of operations, we incurred loss for the year of RMB81.8 million, RMB63.6 million and RMB12.7 million in 2023, 2024 and 2025, respectively. Our net losses during the Track Record Period were primarily due to (i) significant R&D expenses, administrative expenses, and selling and marketing expenses that we incurred during the Track Record Period to support our business expansion and revenue growth; (ii) our increased other finance costs, as we increased interest-bearing borrowings to sustain our business expansion and production capabilities; and (iii) the impact of certain non-cash items, such as equity-settled share-based payment expenses, changes in the carrying amount of ordinary shares with redemption rights, and **[REDACTED]** expenses. Despite the abovementioned (i) and (ii), we had adjusted profit for the year (non-IFRS measure) of RMB13.8 million in 2025.

Path to Profitability

In the coming years, we plan to achieve breakeven and realize profitability by implementing the following key business initiatives:

Achieving Sustained Growth in Revenue

We plan to expand our revenue scale through the following measures:

(i) *Deepening Existing Customer Value.* We intend to deepen our relationships with existing customers by broadening the adoption of our AMHS across their operations. At the same time, we plan to expand engagements with customers who have initially purchased standalone equipment units by upselling them our full semiconductor transfer system, meaningfully increasing average revenue per customer. In parallel, we will track the technology evolution of our semiconductor equipment customers' process equipment and develop next-generation semiconductor transfer system in lockstep with their roadmaps. This coordinated approach will allow us to grow alongside our customers and maximize the lifetime value of each relationship. We generated an average transaction value from our customers of RMB2.9 million, RMB4.9 million, and RMB6.1 million in 2023, 2024 and 2025, respectively.

(ii) *Expanding Customer Base.* We plan to leverage our technology advantages and product competitiveness to increase penetration within our existing downstream markets and convert new customers at scale. By introducing standardized, cost-effective equipment models, we aim to shorten R&D validation cycles and accelerate time to market. Combined with the advantages of our self-developed core components, these efforts create a differentiated value proposition that strengthens our customer acquisition capabilities. In 2023, 2024, and 2025, we provided products or services to 46, 63, and 85 customers, respectively.

(iii) *Accelerating Global Market Expansion.* We plan to leverage the global market insight and customer networks of our Malaysian subsidiary, Waftech, to establish an initial foothold in key global markets. Our revenue generated outside Chinese mainland amounted to RMB4.8 million, RMB15.9 million and RMB44.5 million in 2023, 2024 and 2025, respectively, accounting for 3.6%, 5.2% and 8.5% of our total revenue for the same years, respectively. We also plan to pursue close collaborations with leading domestic semiconductor equipment manufacturers, adopting a "coordinated go-global" approach that enables us to enter and serve semiconductor manufacturers worldwide more efficiently.

Optimizing Cost Structure and Enhancing Operational Efficiency

We intend to optimize our cost structure and enhance operational efficiency to achieve steady improvement in net loss position and realize net profit through the following measures:

(i) *Deepening Supply Chain Vertical Integration.* We intend to leverage our R&D and manufacturing capabilities to increase the share of internally developed and manufactured core components, reducing reliance on external suppliers, optimizing our cost structure and retaining component-level margins while meeting certain customers' domestic content requirements. Continued investment in product refinement will also further strengthen customer satisfaction and loyalty, lowering acquisition costs over time. Our internal supply system can directly shorten supply chain response times, reduce inventory fluctuations, lower inventory levels, and thereby improve overall operational efficiency and our profitability.

(ii) *Driving Standardization and Modularization.* We intend to convert our previously highly customized orders into productized and standardized deliveries built on a unified technology platform, standard interfaces, and configurable optional components. By doing so, we will improve scale reuse efficiency and enable configuration-based selection, further reducing our internal production costs.

(iii) *Expanding Economies of Scale.* As we expand our business, we will benefit from economies of scale that enhance our profitability. Fixed costs (e.g. equipment depreciation and facility rent) will be diluted as production and sales volume expands, and the unit product cost will continue to decrease with the growth of business scale. On the other hand, greater business scale strengthens our bargaining power with upstream suppliers, and we plan to continue pursuing more favorable raw material pricing and payment terms.

(iv) *Enhancing Operating Efficiency.* We intend to efficiently manage our expenses as a percentage of our total revenues and expect margin improvements from economies of scale and enhanced operating efficiency. Specifically:

(a) *R&D Expenses.* We intend to continue investing significantly in R&D while improving the efficiency of those investments—through disciplined cost management, talent retention, and rigorous tracking of project milestones—to ensure that our spending translates into commercial outcomes. Our R&D expenses were RMB41.4 million, RMB59.6 million and RMB47.1 million in 2023, 2024 and 2025, respectively, but our R&D expenses as a percentage of total revenue were 31.0%, 19.3% and 9.0% in the same years, reflecting an improving trend as our revenue base expanded.

(b) *Selling and Marketing Expenses.* Our selling and marketing expenses have remained low, accounting for 8.8%, 6.6%, and 5.9% of total revenue during the Track Record Period. We expect this ratio to continue improving and/or maintain relatively low level, as brand recognition strengthens, customer relationships deepen, and a growing concentration of higher-volume customers leads to greater economies of scale. As we continue investing in product performance improvements to deliver high-quality products and services, we expect increase customer satisfaction, build a strong reputation within the semiconductor industry, and further reduce customer acquisition costs.

(c) *Administrative Expenses.* Our administrative expenses as a percentage of revenue were 35.6%, 17.4%, and 12.8% in 2023, 2024, and 2025, respectively. We intend to systematically reduce this ratio through measures including regular organizational structure effectiveness evaluations, digital and intelligent management systems, paperless office initiatives, centralized procurement, standardized travel and entertainment policies, and zero-based budgeting with cost alert mechanisms tied to management team performance evaluations. We expect to further lower our administrative expense ratio while sustaining revenue growth, thereby improving profitability.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. Our future commercial success depends partially on our ability to obtain and maintain patents and other intellectual property rights and proprietary protections for commercially important technologies, inventions and know-how related to our business, our capabilities to defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the intellectual property rights of third parties.

As of the December 31, 2025, we owned 127 registered patents in China and four registered patents in Malaysia. As of the same date, we had 22 software copyrights and 20 registered trademarks globally. We acquire major patents through self-development.

For our portfolio of material intellectual property rights for our core technologies of which we are the registered owner as of the Latest Practicable Date, see "Appendix VII—Statutory and General Information—B. Further Information about our Business—2. Intellectual Property Rights."

DATA SECURITY AND PRIVACY

In the course of our operations, collect and store business, operational, and transaction data generated in the ordinary course of our business operations, including data arising from our dealings with customers, suppliers, and other counterparties. We also collect and process personal information of our employees, job applicants, and visitors. Such data is collected solely for the purposes of conducting our business and is not traded or sold to third parties.

We have established a comprehensive data security and management framework to safeguard our systems and protect data privacy. These measures include the use of advanced security technologies, such as firewalls and intrusion prevention systems, strict access controls, comprehensive internal protocols governing data handling, and detailed data protection procedures. In addition, we maintain a data backup system that is regularly tested to reduce the risk of data loss and ensure business continuity. During the Track Record Period, we did not engage in cross-border data transfers and were not classified as a network platform operator processing personal information of more than one million users, nor as an operator of critical information infrastructure, under the Cybersecurity Review Measures.

During the Track Record Period and up to the Latest Practicable Date, we complied in all material respects with the laws, regulations and internal policies relating to cybersecurity and data protection in China and Malaysia. However, given the increasing global focus on data privacy and cybersecurity and the potential introduction of new or amended laws and regulations, our data management practices may be subject to increased regulatory scrutiny. For further details, see "Risk Factors—Risks Relating to Our Business and Industry—Any failure or perceived failure to comply with data privacy and security laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure and other processing of data, could subject us to potential liabilities."

COMPETITION

China's semiconductor intelligent transfer system market is highly competitive. Leading international players currently dominate the market while domestic players are rapidly emerging. We face intense competition from established international players with mature technology stacks and ecosystem advantages, as well as other domestic competitors targeting the same market segments as we do. Key competitive differentiators include cleanliness control, precision in robotics and positioning, vibration isolation, wafers per hour (WPH), speed management, software architecture (encompassing intelligent task scheduling and real-time data processing), operational reliability and system safety, broad compatibility with interfacing equipment and FOUPs, and tailored development capabilities. These factors are essential for capturing market share. The increasing domestic demand for technology alternatives, coupled with the rapid evolution of process nodes, creates both opportunities and challenges for us. See "Industry Overview" for details.

EMPLOYEES

As of December 31, 2025, we had 524 full-time employees. The following table sets forth the number of our employees by function:

Employee Function	Number of Employees
Research and Development	145
Manufacturing	215
Sales and Marketing	82
Management and Operation	82
Total	**524**

The following table sets forth the number of our employees by geographical locations:

Location	Number of Employees
China	441
Malaysia	83
Total	**524**

We have established systematic training programs for our employees based on their positions and expertise. We also provide our employees with continuing training by internal and external experts to expand their professional knowledge and skills.

We enter into standard labor contracts with our employees and confidentiality agreements with employees. As part of our retention strategy, we offer competitive remuneration packages to our employees, including salary and allowances and performance-based bonuses. In general, we determine remuneration packages based on each employee's qualification, position and seniority. We have established an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing provident fund, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance. During the Track Record Period, we did not fully contribute to social insurance and housing provident fund for certain of our employees, primarily because most of the affected employees were migrant workers who preferred lower contributions to retain higher disposable income. The shortfall of our social insurance and housing provident funds amounted to nil, RMB0.4 million, and RMB1.6 million in 2023, 2024 and 2025, respectively.

According to our PRC Legal Advisors, for the shortfall in social insurance contributions, if the employer fails to pay the contributions in full and on time, a daily late fee at the rate of 0.05% of the outstanding amount will be imposed from the date the payment was due. If the employer still fails to do so within the period specified by the competent authorities, the relevant authorities may impose a fine of between one and three times the amount of the social insurance contributions shortfall. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of the housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Our PRC Legal Advisors have consulted with the relevant local authorities regarding the insufficient contributions to social insurance and housing provident funds. Based on such consultations, our PRC Legal Advisors are of the view that the likelihood that our relevant subsidiaries with insufficient contributions will be required to pay the historical shortfall of social insurance and housing provident fund contributions, or will be subject to material administrative fines or penalties imposed by the relevant government authorities in respect of such shortfalls during the Track Record Period, is remote, on the basis that: (i) we have obtained confirmations from the relevant local authorities confirming that, during the Track Record Period and up to the Latest Practicable Date, the relevant subsidiaries had not received any fines or penalties from competent authorities as a result of insufficient contributions to employees' social insurance and housing provident funds; and (ii) during the Track Record Period and up to the Latest Practicable Date, the relevant subsidiaries had not received (a) any order of correction from competent authorities requiring the payment of historical contribution shortfalls within a specified period, or (b) any outstanding employee reports or complaints alleging inadequate contributions. Having regard to the advice of our PRC Legal Advisors, our Directors are of the view that the above non-compliances will not have a material adverse effect on our business, financial condition or results of operations. Accordingly, we made no provision in respect of the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

Pursuant to the Interpretation (II) of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**Interpretation**"), which became effective on September 1, 2025, any agreement between an employer and an employee, or any unilateral commitment made by an employee, purporting to waive the payment of social insurance premiums shall be deemed invalid by the people's court. Where an employer fails to pay social insurance premiums in accordance with applicable law, and the employee subsequently requests termination of the labor contract and claims economic compensation pursuant to Article 38, Paragraph 3 of the Labor Contract Law, the people's court shall support such claim in accordance with the law. In this regard, considering that (i) we have not entered into any agreement with the employees, nor have the employees made any commitments, to waive the payment of social insurance premiums; and (ii) employees have already been entitled, since the Labor Contract Law became effective in 2008, to terminate labor contracts and claim economic compensation under the relevant provisions thereof, such Interpretation will not result in us assuming any additional compensation liabilities.

See "Risk Factors—Risks Relating to the Legal and Regulatory Requirements—We are subject to the social insurance and housing provident fund regulations in China."

We also engage our employees in Malaysia to the mandatory social security schemes in accordance with the applicable laws. In addition to regulatory social security schemes, we provide our Malaysian employees with hospitalization and surgical insurance, and group personal accident insurance to secure their health and wellbeing.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any labor disputes or strikes that could have a material and adverse effect on our business, financial condition or results of operations. We believe that we maintain good working relationships with our employees.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We have purchased cargo insurance, property all risks insurance, and commercial health insurance for our employees. We currently do not maintain additional insurance policies such as business interruption insurance, key man life insurance, or insurance coverage for damages to our information technology systems, or properties. During the Track Record Period, we did not make any material insurance claims in relation to our business. See "Risk Factors—Risks Relating to Our Business and Industry—We maintain limited insurance coverage, which may not be sufficient to cover potential liabilities, losses or business risks, and any claims beyond such coverage could adversely affect our business" for details. Our Directors consider that our existing insurance coverage is in line with industry norm and is sufficient for our present operations. However, the risks related to our business and operations may not be fully covered by insurance.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

As a leading China-based provider of intelligent semiconductor transfer system, we regard ESG management as integral to long-term competitiveness, operational resilience, and sustainable value creation. We embed ESG considerations into our governance, strategy, risk management, and daily operations to operate responsibly across our value chain. We engage with key stakeholders to inform the identification and prioritization of ESG initiatives. Following **[REDACTED]**, we will publish an annual ESG report in accordance with Appendix C2 to the Listing Rules (the ESG Reporting Code) and other applicable requirements.

ESG Governance

The Board holds ultimate responsibility for ESG strategy, performance and reporting, including approving ESG goals and the ESG report. The Strategy and Development Committee, a Board-level committee, oversees ESG matters as part of its mandate to study long-term development strategy. An ESG working group under the Committee formulates ESG strategy, coordinates implementation, prepares the ESG report, and monitors progress. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material fines or other penalties for non-compliance with environmental, health, or occupational safety laws and regulations that had a material adverse effect on our financial condition or business operations.

ESG Materiality Assessment

We conduct our ESG materiality assessment based on financial and impact materiality, applying short-, medium- and long-term horizons to evaluate how relevant topics may affect our business. We assess potential impacts across different time periods using a weighted scoring approach. Considering stakeholder priorities, industry benchmarks, and our business characteristics, we identify and prioritize material ESG topics and integrate them into our strategic, financial, and operational planning.

Climate Change Risk Management

We recognize climate-related physical and transition risks and maintain a structured risk response approach to promote operational resilience through management systems, environmental technologies, and emergency preparedness. Our Carbon Management Committee drives emission-reduction initiatives and oversees climate-related target setting. We conduct annual greenhouse gas (GHG) inventories in accordance with ISO 14064-1:2018, covering Scope 1 (direct) and Scope 2 (energy indirect) emissions, and manage emissions data through a dedicated carbon management platform to support data quality and governance. Green principles are also incorporated into product lifecycle design and office practices to reduce our environmental footprint across operations.

The table below summarizes our GHG emission level during the Track Record Period:

Classification	Unit	2023	2024	2025
Scope 1 GHG Emission.	tCO_2e	11,146.4	12,949.1	19,142.1
Scope 1 GHG Emission Intensity .	tCO_2e/person	33.5	28.8	36.5
Scope 2 GHG Emission	tCO_2e	528.0	2,536.9	3,508.6
Scope 2 GHG Emission Intensity .	tCO_2e/person	1.6	5.7	6.7

Note:

Scope 1 GHG emissions are primarily from the consumption of direct energy (gasoline, natural gas, etc.) in our operations; Scope 2 GHG emissions are primarily from the consumption of indirect energy (purchased or acquired electricity) in our operations. The data refers to the Reporting Guidance on Environmental KPIs of the Hong Kong Stock Exchange, and the GHG emission factor for purchased electricity refers to the national grid average emission factor.

Environmental Indicators and Management

We integrate environmental management into our daily operations, with a focus on regulatory compliance, pollution prevention, and resource efficiency. We have established internal environmental management targets and key performance indicators (KPIs) covering energy consumption, water usage, waste generation, and emissions intensity, and we track progress against these targets through ongoing operational optimization.

Emissions and Waste Management

We maintain emissions and waste management practices in compliance with applicable environmental laws, focusing on pollution prevention and control. We classify and recycle waste to reduce waste and improve resource efficiency. For renovation and fixed asset projects, we conduct upfront environmental planning and impact assessments. Waste gas is managed through monitoring and treatment controls, with third-party verification as needed. Solid and other waste is controlled via registers, qualified third-party disposal, audits, and employee training.

Resource Consumption

We are committed to reducing emissions and energy consumption in our operations. We promote the use of new energy vehicles to reduce carbon emissions from commuting and business travel, and encourage water-saving practices with the aim of reducing per capita water consumption. To ensure efficient resource utilization, we have implemented a range of operational measures, including optimizing electricity management (switching off equipment after work hours and setting air-conditioning temperature controls) and tracking resource consumption intensity metrics on a per-employee and per-revenue basis.

Details of our resource consumption during the Track Record Period are as follows:

Classification	Unit	2023	2024	2025
Electricity Consumption	MWh	817.02	3,886.0	6,233.4
Electricity Consumption Density	MWh/Person	2.5	8.7	11.9
Water Consumption	Tons	626.0	23,237.5	18,214.9
Water Consumption Density	Tons/Person	1.9	51.8	34.8
Diesel Fuel Consumption	Liter	2,939.9	6,134.8	12,467.8
Diesel Fuel Consumption Density	Liter/Person	8.8	13.7	23.8
Gasoline Consumption	Cubic Meter	5,129.4	5,955.6	8,799.8
Gasoline Consumption Density	Cubic Meter/Person	15.4	13.3	16.8
Paper Consumption	Kg	122.1	1,765.5	1,596.0
Paper Consumption Density	Kg/Person	0.4	3.9	3.0

Social Indicators and Management

As a leading China-based intelligent semiconductor transfer system provider, we uphold social responsibilities through ethical employee management and development, responsible supply chain management, safe and compliant operations, etc.

Employment

We uphold high standards in employee recruitment and employment, and assess all candidates comprehensively based on their educational background, professional qualifications and job-related performance, to ensure fair and merit-based selection. Our recruitment, placement and internal transfer decisions are made without regard to race, color, gender, religion, values, age, disability, nationality, place of origin, political affiliation or religious beliefs.

The breakdown of our employees during the Track Record Period is summarized as follows:

Classification	2023	2024	2025
By Gender			
Male	285	371	437
Female	48	78	87
By Age			
Above 50 Years Old	36	38	39
40-49 Years Old	94	117	121
30-39 Years Old	117	166	204
20-29 Years Old	86	128	160

Staff Development and Training

We maintain a structured talent development and performance management framework, with training participation recorded and linked to performance assessments. A confidential complaint mechanism allows employees to escalate concerns to HR and, if unresolved, to the CEO. We ensure occupational health and safety through compliance with applicable laws and regulations and the deployment of dedicated safety management personnel at each operating site. Employee rights are safeguarded through strict adherence to labor laws, including prohibitions against child labor and forced labor. Engagement activities, benefits, and performance-based promotions support an inclusive workplace.

Supply Chain Management

We regard supply chain management as important to operational continuity, quality assurance, and ESG risk control. We have established a supplier management system covering admission, due diligence, selection, evaluation, and optimization. New Class A suppliers (being our most strategically significant supplier category) must pass assessment by the Procurement Review Committee before being added to our approved supplier list. We implement responsible procurement across the supplier lifecycle, with assessments covering technical capability, quality, delivery, cost, and ESG-related considerations such as business ethics, environmental compliance, labor practices, and information security. We promote upstream traceability and supply chain localization, and engage with major suppliers annually on carbon emissions data and improvement objectives to support long-term sustainable partnerships.

Product Responsibility

We recognize product and service quality as a core responsibility and key risk management priority. Since our establishment, we have obtained ISO 9001:2015 certification and implemented a systematic quality management framework supported by guiding documents such as our Quality Manual and procedures for risk management, continuous improvement, and design control. Across R&D, manufacturing, supply chain, and operations, we have established rules and workflows aligned with this framework, supported by internal monitoring and quality assurance processes to ensure compliance with our standards. When customers raise quality-related feedback, our technical, product, and quality teams conduct root-cause analysis and implement on-site improvement measures. Management reviews the handling of quality incidents in a timely manner while overseeing continuous enhancement of our quality management system to meet customer requirements and improve satisfaction.

Intellectual Property Protection

We regard intellectual property as a core strategic asset and maintain a structured IP protection framework. We protect innovations through patents, trade secrets, software copyrights, and trademarks, supported by compliance reviews, contract management, and targeted employee training. We continuously strengthen capabilities across the full IP lifecycle, including creation, registration, application, commercialization, and protection, to enhance our core competitiveness. In strict compliance with the PRC Patent Law, we have established internal policies such as our Intellectual Property Management Measures and Patent Application Management Measures, which standardize governance and safeguard our intellectual property rights effectively.

Community and Public Goods

We encourage employee participation in public welfare through volunteer groups that organize community services such as elderly care visits, environmental clean-ups, and educational support. During the Track Record Period, total volunteer participation exceeded 450 hours. We also support community development through programs focused on education, poverty alleviation, and assistance for disadvantaged groups, reinforcing our commitment to social responsibility.

Privacy and Data Security

We maintain procedures governing the collection, use, transfer and protection of customer-related information, including the Control Procedure for Customer-Related Processes, which defines workflows and safeguards. We handle customer information in accordance with applicable laws and regulations, including the Personal Information Protection Law and the Data Security Law. Transfers of customer personal information are subject to applicable requirements, including security assessment and contractual arrangements, and are conducted on the basis of informed and separate consent. We require business partners to assume privacy protection obligations equivalent to ours and maintain ongoing controls to support end-to-end data protection.

Anti-Corruption and Business Ethics

We maintain a zero-tolerance approach towards bribery, extortion, fraud, and money laundering, and comply with relevant PRC laws including those on anti-unfair competition and anti-money laundering. We have established oversight mechanisms, a formal whistleblower channel, and a complaint handling process to supervise, investigate, and verify reported matters. The whistleblower procedures are implemented via an online portal and hotline; each report is logged, assessed by a compliance committee, and investigated within defined timelines, with monitoring through quarterly audits and management reviews. Whistleblower protections are in place to encourage good-faith reporting without fear of retaliation. During the Track Record Period, neither the Company nor our employees were involved in any corruption-related litigation or regulatory proceedings. We provide regular integrity training on anti-corruption, anti-money laundering, and anti-commercial bribery for directors.

PROPERTIES

Owned Properties

We own and occupy certain land parcels and buildings in the PRC for our business operations. These owned properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of the Latest Practicable Date, we obtained land use right certificates for one parcel of land in Haining, Zhejiang Province, with a total site area of approximately 26,032 sq.m. and owned five properties with an aggregate GFA of approximately 51,112 sq.m. These land parcels and properties are primarily used as our production and warehousing facilities, office premises, and employees' dormitory and canteen to support our business operations.

Except for the property interests described in the valuation report prepared by AVISTA Valuation Advisory Limited, we have no other owned single property interest that forms part of our non-property activities that has a carrying amount of 15% or more of total assets pursuant to Rule 5.01B(2)(b) of the Listing Rules. For details, please refer to the valuation report in Appendix III to this document. See "Risk Factors—Risks Relating to Our Business and Industry—Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results."

Our PRC Legal Advisors have confirmed that, as of the Latest Practicable Date, we had obtained the relevant real estate title certificates for the above land parcel and properties.

Leased/Rented Properties

As of the Latest Practicable Date, we had 14 leased properties which have an aggregate GFA of approximately 8,205 sq.m. in China and two rented properties which have an aggregate GFA of approximately 2,102 sq.m. in Malaysia. Such leased/rented properties are primarily used as our office premises, manufacturing bases, R&D facilities and employee dormitories. Our lease/tenancy agreements in respect of the abovementioned leased/rented properties generally have lease/tenancy terms ranging from one to three years.

Pursuant to the applicable PRC laws and regulations, property lease contracts are required to be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, we have not completed the registration of six lease agreements out of our total of 14 leased properties in China. The authorities may order us to rectify such non-compliance within a prescribed period after receiving notice, and may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease, if we fail to rectify within the prescribed period. Based on our current situation, the maximum aggregate penalty for the unregistered lease agreements would be RMB60,000. If any fine is imposed, we may not be able to recover such losses from the lessors. Our PRC Legal Advisors have advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of the lease agreements. In view of the above, we made no provision for such non-registration in our consolidated financial statements during the Track Record Period.

We rent two properties from two landlords in Penang, Malaysia for our business operations as manufacturing and office premises, respectively. Both properties are subject to restrictions of interest registered on the underlying land titles, requiring the landlords to obtain approval from the State Authority of Penang for such tenancies. As of the Latest Practicable Date: (i) the landlords of the two properties had not yet obtained the final approval from the State Authority of Penang; and (ii) no administrative action or penalty had been imposed in connection with the two rented properties.

Manufacturing Premises in Malaysia

The Penang Development Corporation ("**PDC**"), the premier development agency of the State Government of Penang, has issued a letter of no objection in respect of the tenancy of our manufacturing premises, which forms part of the process for obtaining the final approval. After consulting our Malaysian legal advisors on Malaysian property law, and having regard to the following: (i) PDC approval has been obtained as part of the approval process for our manufacturing premises; (ii) the tenancy agreements have been duly executed and the landlord has issued a license to occupy the premises to us; and (iii) rental has been continuously accepted by the landlord and the landlord has permitted us to remain in occupation and continue operating at the relevant premises, our Directors are of the view that, in respect of the rented manufacturing premises in Malaysia:

(a) the risk of administrative action or any penalty being imposed on us as a result of the absence of final approval from the State Authority of Penang is remote;

(b) we can enjoy continued use of the rented property for our manufacturing premises in accordance with the tenancy agreements; and

(c) there is no material adverse effect on our manufacturing and business operations arising from the absence of such approval.

Office Premises in Malaysia

We have entered into a tenancy agreement with the PDC for the rental of our office premises in Penang, Malaysia. We have requested the PDC, as the landlord of the premises, to obtain the final approval of the tenancy agreement from the State Authority of Penang. After consulting our Malaysian legal advisors on Malaysian property law, our Directors are of the view that there is no material adverse effect on our business operations in the office premises arising from the absence of such approval, based on the following: (i) the availability of suitable alternative office premises and the relatively modest relocation costs in Penang; (ii) we would be able to secure other office premises on short notice; and (iii) that we have made a down payment for land use rights in Malaysia for the construction of our own manufacturing and office premises, following the completion of which we expect to gradually reduce our reliance on rented office premises.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulties in renewing lease or tenancy agreements, nor in securing alternative suitable premises for our facilities. We expect any potential relocation costs arising from the compliance issue relating to our leased or rented properties to be insignificant. We do not anticipate any material challenges or impediments in renewing the relevant leases or tenancies upon their expiration, nor do we expect any material disruption to our operations arising from the lease or tenancy-related matters disclosed above. See "Risk Factors—Risks Relating to the Legal and Regulatory Requirements—We face certain risks relating to our leased/rented properties, which may disrupt our operations and relocation costs."

QUALIFICATIONS, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite qualifications, approvals and permits that are material to our operations in the PRC and Malaysia from the relevant authorities. We are required to renew such qualifications, permits and licenses from time to time. We do not expect any material difficulties in such renewals.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Regulatory Compliance

We are committed to complying with the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents that, individually or in the aggregate, would have a material adverse effect on our business, results of operations, and financial condition, and we had complied with applicable laws and regulations in all material respects in the jurisdictions in which we operate.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a robust risk management and internal control system and continually enhance it to ensure compliance across our business operations. We regularly review and update our internal control mechanisms to maintain their effectiveness and adequacy. We also conduct periodic assessments of our risk management policies and internal control measures to confirm they align with our operational needs and regulatory requirements.

To ensure the effectiveness of our risk management policies, we have established an audit committee to oversee our financial reporting and internal control systems. In collaboration with our internal control and audit departments, the committee reviews the effectiveness of these systems and addresses any identified weaknesses, reporting significant issues to the Board of Directors in a timely manner.

Financial Management

Our financial management covers accounting, budgeting, financial reporting and internal controls over cash and asset management. We maintain a clear segregation of duties within the finance team to foster accountability and operational efficiency, and we subject all financial activities to rigorous approval procedures and regular variance analyzes. We have developed comprehensive policies to guide our budgeting, forecasting, investment and cash management practices, and we provide ongoing training for finance personnel to ensure professionalism and compliance across our financial operations.

Compliance Management

We maintain a compliance management framework that proactively monitors changes in laws and regulations and upholds the highest standards of integrity through strong anti-fraud, anti-bribery, anti-money laundering and anti-economic sanctions controls. We provide regular compliance training to foster a culture of accountability and awareness among our staff. Designated personnel continuously track regulatory developments to keep our policies and procedures up to date, and we operate robust systems to identify, report and resolve non-compliance issues. We have also implemented whistleblower protection mechanisms that encourage good-faith reporting of concerns, along with clear protocols for managing legal disputes and regulatory inquiries.

Intellectual Property Management

We take a systematic approach to intellectual property management by maintaining clear policies for the application, registration, maintenance, renewal and protection of patents, trademarks and copyrights. We routinely audit our intellectual property assets and record them in dedicated registers to ensure proper oversight. We require employees to sign confidentiality and intellectual property protection agreements, and we maintain procedures to identify and address potential infringements. We also conduct regular training to ensure all staff understand the importance of safeguarding intellectual property.

Human Resource Management

We have implemented clear policies covering recruitment, onboarding, performance appraisal, compensation, benefits and disciplinary actions. We provide regular training and development opportunities. We have also established channels for employee feedback and whistleblowing, with safeguards in place to protect individuals who raise concerns. In addition, we are committed to promoting diversity, equity and inclusion, while ensuring compliance with all applicable labor laws.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we had received awards and recognition in respect of our products, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award year	Awarding Institution/Authority
Emerging Enterprise of the Year Award (2026年度新銳企業獎)	2026	SEMI
National High-Tech Enterprise (高新技術企業)	2025 (awarded every year since 2022)	Shanghai Municipal Science & Technology Commission, Shanghai Municipal Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration
National Specialized and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人")	2024	Ministry of Industry and Information Technology of the PRC
Zhongguancun High-Tech Enterprise (中關村高新技術企業)	2024	Management Committee of Zhongguancun Science Park
Shanghai High-Tech Achievement Transformation Project (上海市高新技術成果轉化項目)	2024	Shanghai Municipal Science & Technology Commission
Innovative Technology Enterprises (科創新銳企業)	2024	China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration
Best Product Award in China's Semiconductor Market (中國半導體市場最佳產品獎)	2023	CCID Consulting Co., Ltd. (SEHK: 8235)
Shanghai Specialized and Innovative "Little Giant" Enterprise (上海專精特新"小巨人")	2023	China (Shanghai) Pilot Free Trade Zone Lin-gang Special Area Administration
China IC (integrated circuit) Unicorn Innovative Enterprise (中國IC獨角獸新銳企業)	2023	CCID Consulting Co., Ltd. (SEHK: 8235) and Beijing Xinhehui Technology Co., Ltd.
Industry Chain Breakthrough Award (產業鏈突破獎)	2023	China Semiconductor Investment Alliance