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

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document.

OVERVIEW

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.

During the Track Record Period, we achieved strong and consistent business growth with continuously improving financial performance. Our revenue increased significantly from RMB133.3 million in 2023 to RMB308.9 million in 2024 and further increased by 68.8% to RMB521.5 million in 2025. Our gross profit increased significantly from RMB35.7 million in 2023 to RMB91.5 million in 2024 and further increased by 71.3% to RMB156.8 million in 2025. We also recorded gross profit margins of 26.8%, 29.6% and 30.1% in 2023, 2024 and 2025, respectively. Our net loss margin decreased from 61.4% in 2023 to 20.6% in 2024 and further decreased to 2.4% in 2025. Our adjusted profit/(loss) for the year (non-IFRS measure) improved significantly, moving from losses in 2023 and 2024 to a profit of RMB 13.8 million in 2025.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial position are affected by a number of factors, including those factors set out in the section headed "Risk Factors" in this document and those discussed below:

General Factors

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including the following:

- overall economic growth and conditions;
- development, cyclicality, and prosperity of the global and domestic semiconductor industry, in particular the semiconductor intelligent transfer system industry;

- international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions;

- technology development and competition in the semiconductor industry;

- conditions of the downstream markets of the semiconductor industry and fluctuations in customer demand; and

- government policies and regulations in relation to the semiconductor industry.

Specific Factors

Our Ability to Innovate, Upgrade, and Enrich our Product Offerings

Our revenue growth depends on our ability to make technological advancements and develop products that meet increasingly sophisticated customer requirements as semiconductor manufacturing capacity shifts toward advanced process nodes. Due to the fast-paced technological evolution in the semiconductor industry, we must remain responsive to rapidly changing industry standards, technological developments and customer preferences while constantly enhancing our products' technical specifications and functionality. We also need to diversify our product offerings to better capitalize on market opportunities created by PRC national industrial policy promoting domestic substitution of semiconductor equipment. Failure to do so may result in loss of customers, reduced procurement volume and harm to our growth potential.

To maintain and increase our competitiveness, we have invested substantially in R&D to innovate, upgrade and enrich our product offerings. In 2025, we began generating revenue from the sale of AMHS, a sophisticated semiconductor transfer system that moves material from one place to another in modern fabrication plants. We consider AMHS sales an important driver for our future revenue growth.

In addition, the level of technological sophistication in our products also impacts our pricing power and gross profit margins. Sophisticated products with broader applicability generally command premium pricing. Therefore, our ability to continually innovate, upgrade, and enrich our product offerings is essential for sustaining top-line growth and profitability.

Customer Relationships and Diversification of Our Customer Base

Our ability to maintain strong customer relationships and expand our customer base is critical to our future business growth. Supported by robust production capabilities, we have established ourselves as a trusted wafer transfer equipment provider for customers, including leading players across both domestic and international markets. Through close collaboration with our customers, we have developed a stable and frequent communication mechanism that enables us to obtain accurate and timely feedback on customer needs, gain deep insights into core requirements, product trends and the latest technology demands, and ensure our products and technologies align with market developments.

To further capture new business opportunities and reduce reliance on any single customer or market segment, we have continued to optimize our offerings in line with end market needs and expand our customer base. We have also maintained a structured sales and marketing framework that integrates rigorous market analysis with targeted outreach, enabling us to recommend our products and services to customers in need. We believe that our strong customer relationships, combined with our ongoing efforts to broaden our customer portfolio, can enhance our ability to navigate industry cycles and position us to capture growth opportunities sustainably.

Supply Chain and Production Capacity Management

Maintaining a stable supply chain and scalable production capacity is fundamental to our sustained business operations and growth. In 2023, 2024, and 2025, raw materials and other components recorded in cost of sales amounted to RMB68.9 million, RMB168.9 million, and RMB276.5 million, respectively, representing 70.6%, 77.7% and 75.8% of our total cost of sales in the respective years. We have established a comprehensive supply chain management system and continually enhance our supply chain security by actively promoting localization of key materials and equipment, maximizing the use of locally sourced resources to strengthen resilience and mitigate supply chain risks.

In addition, we maintain a robust and adaptable production capacity management system that centers on customer demand. We regularly review production utilization, optimize processes and upgrade equipment to unlock additional capacity and respond swiftly to evolving customer needs. In parallel, we dynamically adjust order intake based on production utilization and product lead times to enhance our overall profitability. Our manufacturing management system further facilitates efficient resource allocation and scalable production, ensuring consistently high throughput and stable, high-quality output across diverse product lines and complex process flows. During the Track Record Period, our Shanghai manufacturing base maintained relatively high utilization rates over 80.0% in 2023, 2024 and 2025, while our Haining manufacturing base and Malaysia manufacturing base recorded fluctuating utilization rates during the Track Record Period. By deepening localization efforts, diversifying strategic partnerships with suppliers and further investing in manufacturing systems, we aim to proactively mitigate potential risks and respond swiftly to market dynamics. These ongoing initiatives will underpin our ability to deliver stable, high-quality output and support the sustainable growth of our business.

Our Ability to Optimize Cost Structure and Manage Operating Expenses

As we expanded our scale of operations, our ability to achieve operating efficiency has become more important to our results of operations. Specifically, our results of operations are affected by our operating expenses, including selling and marketing expenses and administrative expenses. In 2023, 2024 and 2025, our selling and marketing expenses accounted for 8.8%, 6.6% and 5.9% of our revenue, respectively, while our administrative expenses accounted for 35.6%, 17.4% and 12.8% of our revenue in the corresponding years. While we recorded greater selling and marketing expenses and administrative expenses in absolute amounts during the Track Record Period, in line with our expanded scale of operations, we were able to control and lower these expenses as a percentage of our revenue. Going forward, we may continue to incur increasing operating expenses due to increased employee headcount and greater operating expenditure to meet our business expansion. Our profitability will also depend on, among other things, our ability to enhance operating efficiency, attain economies of scale and achieve operating leverage to keep these costs at levels commensurate with our business growth.

As our business continues to grow, we expect to further manage our cost and expenses by (i) deepening supply chain vertical integration; (ii) driving standardization and modularization; (iii) expanding economies of scale; and (iv) enhancing operating efficiency through systemic measures. See "Business—Business Sustainability—Analysis of Historical Losses—Path to Profitability." Our ability to optimize cost structure and manage operating expenses remains critical to improving our overall financial performance.

Our Continual Investment in R&D and Talent

Our revenue growth is closely tied to our ability to drive technological innovation and develop products and services that address the evolving needs of our customers, which in turn depends on our continued investment in R&D. In 2023, 2024, and 2025, our R&D expenses amounted to RMB41.4 million, RMB59.6 million, and RMB47.1 million, respectively, representing 31.0%, 19.3%, and 9.0% of our revenue for the respective years.

We have made, and intend to continue making, significant investments in talent, technology and R&D to strengthen our technologies and gross profit margin, thereby reinforcing our market position and improving customer satisfaction. Through years of dedicated R&D efforts, we have successfully developed a range of proprietary technologies that enable us to compete effectively in the market. As of December 31, 2025, we had over 130 patents globally as a result of our R&D initiatives. Going forward, we expect our strategic focus on product innovation, technological advancement and talent development to further differentiate our products and services, enhancing our overall competitiveness.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information adopted are set out in note 2 to the Accountants' Report in Appendix I to this document.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that were not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in note 34 to the Accountants' Report in Appendix I to this document.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

A summary of our material accounting policies and estimates is set forth in note 2 and note 3 to the Accountants' Report in Appendix I to this document. The estimates and judgments we use in applying our accounting policies have a significant impact on our financial position and operating results. Some of the accounting policies require us to apply estimates and judgments on matters that are inherently uncertain. Set forth below are discussions of the accounting policies applied in preparing our financial information that we believe are most dependent on the application of these estimates and judgments and, in addition, certain other accounting policies that we believe are material to an understanding of our financial information.

Material Accounting Policies

Revenue Recognition

We recognize revenue when control over a product or service transfers to the customer at the amount of promised consideration to which we expect to be entitled, excluding amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sale of Equipment and Other Products

We recognize revenue from the sale of intelligent semiconductor transfer system, semiconductor packaging automation equipment and components when the customer takes possession of and accepts the equipment and related products.

Rendering of services

We recognize revenue from the rendering of technical services over time, using an output method to measure progress based on surveys of work completed or milestones achieved, which directly reflect the value transferred to customers. Where progress cannot be reliably measured, we recognize revenue only to the extent of costs incurred that are expected to be recoverable.

Property, Plant and Equipment and Depreciation

We state property, plant and equipment at cost, which includes capitalized borrowing costs, less accumulated depreciation and impairment losses. We state construction in progress, which represents buildings and various machinery, plant and equipment under construction and pending installation, at cost less impairment losses. Cost comprises direct costs of construction as well as interest charges incurred during the periods of construction. We transfer construction in progress to property, plant and equipment when the asset is substantially ready for its intended use. We do not provide depreciation for construction in progress. If significant parts of an item of property, plant and equipment have different useful lives, then we account for them as separate items (major components). We recognize any gain or loss on disposal of an item of property, plant and equipment in profit or loss.

We calculate depreciation to write-off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and we generally recognize depreciation in profit or loss. The estimated useful lives during the Track Record Period are as follows:

Property	:	40 years
Equipment and machinery	:	3–10 years
Vehicles	:	5 years
Computer and office equipment	:	3–10 years
Leasehold improvements	:	Shorter of useful lives or lease term

Credit Losses and Impairment of Assets

Credit Losses from Financial Instruments and Contract Assets

We recognize a loss allowance for expected credit losses ("**ECLs**") on: (i) financial assets measured at amortized cost; (ii) contract assets; and (iii) non-equity securities measured at FVOCI (recycling) assets.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, we measure credit losses as the present value of all expected cash shortfalls between the contractual and expected amounts. If the effect is material, we discount the expected cash shortfalls using (i) effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets, trade and other receivables; and (ii) current effective interest rate for variable-rate financial assets.

The maximum period considered when estimating ECLs is the maximum contractual period over which we are exposed to credit risk. We measure ECLs as either 12-month ECLs or lifetime ECLs. We measure loss allowances at an amount equal to lifetime ECLs, except for the following financial instruments, for which we measure loss allowances at an amount equal to 12-month ECLs:

- financial instruments that we determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk has not increased significantly since initial recognition.

We always measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when measuring ECLs, we consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our historical experience and informed credit assessment, that includes forward-looking information.

Credit-impaired financial assets

At each reporting date, we assess whether a financial asset is credit-impaired. We consider a financial asset to be credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

We consider a financial asset to be credit-impaired if we observe any of the following events: (i) significant financial difficulties of the debtor; (ii) a breach of contract, such as a default or being more than 90 days past due; (iii) the restructuring of a loan or advance by us on terms that we would not consider otherwise; (iv) it is probable that the debtor will enter bankruptcy or other financial reorganization, or there are significant financial difficulties for the debtor; or (v) the disappearance of an active market for a security because of financial difficulties of the issuer.

Impairment of other Non-current Assets

At each reporting date, we review the carrying amounts of our non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If we identify any such indication, then we estimate the asset's recoverable amount. We test goodwill for impairment annually.

For impairment testing, we group assets into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGUs**"). We allocate goodwill arising from a business combination to CGUs or groups of CGUs that we expect to benefit from the synergies of the combination.

We determine that the recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. We calculate value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. We recognize an impairment loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

Ordinary Shares with Redemption Liabilities

We recognize as a financial liability our obligation to purchase our own equity instruments for cash or another financial asset. We measure the financial liability at the highest present value of the settlement amounts that can arise. Any changes in the carrying amount of the financial liability arising from the remeasurement of the distributions amount is recognized in profit or loss as "changes in the carrying amount of ordinary shares with redemption rights." We derecognize the financial liability when, and only when, our obligations are discharged, cancelled or have expired.

Inventories and Contract Costs

Inventories

We carry inventories at the lower of cost and net realizable value. We calculate cost using the weighted average cost method, and it comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. We determine net realizable value as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Contract Costs

We classify contract costs as either the incremental costs of obtaining a contract with a customer or the costs to fulfill a contract with a customer that we do not capitalize as inventory, property, plant and equipment or intangible assets. We capitalize incremental costs of obtaining a contract, e.g., sales commissions, if the costs relate to revenue that we will recognize in a future reporting period and we expect to recover the costs. We expense other costs of obtaining a contract when we incur them.

Critical Accounting Judgments and Estimates

In the process of applying our accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognized in the historical financial information.

Net Realizable Value of Inventories

We determine the net realizable value of inventories as the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. We base these estimates on current market conditions and our historical experience in manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of changes in customer preferences, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

Impairment of Goodwill

We determine whether goodwill is impaired at least on an annual basis. We determine impairment by estimating the value in use of the related cash-generating units, which requires us to estimate future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

DESCRIPTION OF KEY COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, our revenue was derived from (i) the sale of intelligent semiconductor transfer system that include wafer transfer equipment (i.e., EFEMs and sorters), AMHS (from which we started to generate revenue in December 2025) and associated components (primarily including loadports, wafer-handling robots, end effectors, nitrogen purging equipment, and E84 sensors), (ii) the sale of semiconductor packaging automation equipment and components through our Malaysian subsidiary, Waftech, which was acquired in December 2023, and (iii) the provision of technical services and others, primarily including repair and maintenance services for semiconductor manufacturing equipment and sale of related components.

Cost of Sales

Our cost of sales primarily consists of (i) raw materials and other component costs, (ii) employee compensation; (iii) depreciation and amortization; (iv) outsourcing service fees; (v) utilities costs; and (vi) write-down of inventories and contract costs. During the Track Record Period, the increase in our cost of sales was driven by our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

Other Net Income

Our other net income mainly consists of (i) government grants; (ii) gains from inputs VAT deduction in Chinese mainland; (iii) interest income on deposits; (iv) net gain/(loss) on disposal of property, plant and equipment and right-of-use assets; (v) net foreign exchange gain/(loss); and (vi) insurance compensation.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) employee compensation; (ii) marketing and advertising expenses; (iii) travel and entertainment expenses; (iv) depreciation and amortization; and (v) office and rental expenses.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee compensation; (ii) equity-settled share-based payment expenses; (iii) consulting and professional service fees; (iv) office and rental expenses; (v) depreciation and amortization; (vi) taxes and surcharges; (vii) travel and entertainment expenses and (viii) **[REDACTED]** expenses.

R&D Expenses

Our R&D expenses mainly consist of (i) employee compensation; (ii) material consumptions; (iii) depreciation and amortization; (iv) equity-settled share-based payment expenses and (v) travel expenses.

Finance Costs

Our finance costs consist of (i) changes in the carrying amount of ordinary shares with redemption rights; and (ii) other finance costs, which consist of interest on loans and borrowings and interest on lease liabilities. Item (i) above represents the interest arising from our ordinary shares with redemption rights. See "—Indebtedness—Ordinary Shares with Redemption Rights" and note 23 to the Accountants' Report in Appendix I to this document.

Income Tax

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

Chinese mainland

Our income tax provision in respect of our operations in the PRC was subject to a statutory tax rate of 25% during the Track Record Period, based on existing legislation, interpretations and practices in respect thereof. Enterprises that qualify as a "High-Tech Enterprise" are entitled to a preferential rate of 15% for three years, and such qualification may be renewed every three years. Our Company and Xindao Precision were entitled to such rate as High-Tech Enterprises under the relevant PRC laws and regulations during the Track Record Period and as a result, were subject to an income tax rate of 15% during the Track Record Period. Certain subsidiaries qualified as small low-profit enterprises and were subject to an income tax rate of 20%.

Malaysia

Waftech, our Malaysian subsidiary, is subject to Malaysian profits tax at a rate of 24%.

RESULTS OF OPERATIONS

The following table sets forth selected items of our consolidated statement of profit or loss for the years indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Revenue	**133,289**	**308,925**	**521,511**
Cost of sales	(97,552)	(217,431)	(364,745)
Gross profit	**35,737**	**91,494**	**156,766**
Other net income	2,748	9,330	7,018
Selling and marketing expenses	(11,677)	(20,429)	(30,832)
Administrative expenses	(47,510)	(53,711)	(66,909)
Research and development expenses	(41,375)	(59,594)	(47,139)
Impairment losses on trade receivables	(215)	(1,056)	(1,484)
(Loss)/profit from operations	**(62,292)**	**(33,966)**	**17,420**
Changes in the carrying amount of ordinary shares with redemption rights	(16,355)	(20,160)	(22,855)
Other finance costs	(4,025)	(7,407)	(9,533)
Finance costs	(20,380)	(27,567)	(32,388)
Loss before taxation	**(82,672)**	**(61,533)**	**(14,968)**
Income tax	852	(2,055)	2,238
Loss for the year	**(81,820)**	**(63,588)**	**(12,730)**
Attributable to:			
– Equity shareholders of our Company	(81,819)	(61,603)	(11,101)
– Non-controlling interests	(1)	(1,985)	(1,629)

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit/(loss) for the year (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards.

The following table reconciles our profit/(loss) for the year presented in accordance with IFRS Accounting Standards to adjusted profit/(loss) for the year (non-IFRS measure):

	Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	**(81,820)**	**(63,588)**	**(12,730)**
Add:			
Changes in the carrying amount of ordinary shares with redemption rights	16,355	20,160	22,855
Equity-settled share-based payment expenses	17,414	3,199	2,402
[REDACTED] expenses	–	–	1,295
Adjusted profit/(loss) for the year (non-IFRS measure)	**(48,051)**	**(40,229)**	**13,822**

We define adjusted profit/(loss) for the year (non-IFRS measure) as loss for the year excluding changes in the carrying amount of ordinary shares with redemption rights, equity-settled share-based payment expenses, and **[REDACTED]** expenses. Specifically:

(i) changes in the carrying amount of ordinary shares with redemption rights are non-cash in nature, and the ordinary shares with redemption rights will be automatically converted into the equity of our Company upon the completion of the **[REDACTED]**;

(ii) equity-settled share-based payment expenses relate to the share-based awards that we grant to employees, non-employee consultants and Directors and are non-cash in nature; and

(iii) **[REDACTED]** expenses relate to this **[REDACTED]**.

We believe that adjusted profit/(loss) for the year (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted profit/(loss) for the year (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit/(loss) for the year (non-IFRS measure) has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Revenue

Breakdown by Type of Products and Services

During the Track Record Period, we generated revenue from (i) sale of intelligent semiconductor transfer system comprising wafer transfer equipment, AMHS, and related 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) 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 semiconductor equipment manufacturers and sale of related components.

The following table sets forth a breakdown of the sales volume and average selling price of our certain major equipment and components during the Track Record Period:

		Year Ended December 31,		
		2023	2024	2025
Intelligent semiconductor transfer system(1):				
– Wafer transfer equipment	Sales volume *(units)*	117	201	377
	Average selling price (*RMB in thousands*)	897.0	1,190.2	1,009.2
– Components	Sales volume *(units)*	79	493	2,700
	Average selling price (*RMB in thousands*)	21.2	8.2	5.0
Semiconductor packaging automation equipment	Sales volume (*units*)	1(2)	4	17
	Average selling price (*RMB in thousands*)	3,252.8	2,832.0	2,419.4

Notes:

(1) While we began recognizing revenue from AMHS sales in 2025, delivery and installation are carried out in stages consistent with industry practice, and customer acceptance typically follows a corresponding phased process, and therefore the AMHS delivered in 2025 was not recognized as a complete system. In addition, given the highly customized nature of AMHS, average selling price may not be meaningful in enabling investors to make an informed assessment of this business.

(2) We completed acquisition of Waftech in December 2023 and recorded post-acquisition sales only—sales recorded from the acquisition settlement date to year-end—for 2023. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

Comparison between 2025 and 2024: Our revenue increased by 68.8% from RMB308.9 million in 2024 to RMB521.5 million in 2025, which was driven by the increased revenue generated by all types of products and services offered by us. Specifically:

- *Intelligent semiconductor transfer system*. Our revenue from intelligent semiconductor transfer system grew 67.4% from RMB243.3 million in 2024 to RMB407.3 million in 2025, driven primarily by a 59.0% increase in wafer transfer equipment, from RMB239.2 million to RMB380.5 million. Sales volume of wafer transfer equipment (particularly EFEMs) rose from 201 units in 2024 to 377 units in 2025. This growth was attributable to (i) stronger demand from semiconductor manufacturing equipment customers; (ii) more diverse major customer base; (iii) increased market recognition of our equipment as we continued to enhance the competitiveness, quality and technology of our EFEM models; (iv) deeper relationships with our major customers; and (v) PRC national industrial policies promoting domestic substitution of semiconductor equipment. Revenue growth in this segment was further supported by (i) a 232.3% increase in revenue from components and others (primarily EFEM-related) from RMB4.0 million in 2024 to RMB13.4 million in 2025, reflecting higher EFEM sales; and (ii) the commencement of revenue recognition from AMHS sales in December 2025.

- *Semiconductor packaging automation equipment and components*. Our revenue from semiconductor packaging automation equipment and components increased significantly from RMB13.2 million in 2024 to RMB44.3 million in 2025, primarily because we further expanded sales of semiconductor packaging automation equipment to more customers in Southeast Asia and Europe and had increased sales volume of such equipment from four units in 2024 to 17 units in 2025.

- *Technical services and others*. Our revenue from technical services and others increased by 33.3% from RMB52.5 million in 2024 to RMB70.0 million in 2025, primarily due to the increased number of customers, as a result of the growing demand from leading domestic fabrication plants for localized installation, repair and maintenance services for semiconductor manufacturing equipment and our increased sales of related components.

Comparison between 2024 and 2023: Our revenue increased significantly by 131.8% from RMB133.3 million in 2023 to RMB308.9 million in 2024, which was driven by the increased revenue generated by all types of products and services offered by us. Specifically:

- *Intelligent semiconductor transfer system*. Our revenue from intelligent semiconductor transfer system increased significantly from RMB106.6 million in 2023 to RMB243.3 million in 2024, driven primarily by a substantial increase in revenue from wafer transfer equipment, which rose from RMB105.0 million to RMB239.2 million over the same period. Sales volume of wafer transfer equipment, particularly EFEMs, increased from 117 units in 2023 to 201 units in 2024. This growth was mainly attributable to stronger customer demand, increased market recognition of our EFEMs, deeper relationships with major customers, and favorable national policies supporting domestic semiconductor equipment. The increase in revenue from wafer transfer equipment was further supported by a rise in average selling price from RMB897.0 thousand in 2023 to RMB1,190.2 thousand in 2024, reflecting our continued enhancement of the technological sophistication and value proposition of our wafer transfer equipment, especially EFEMs. To a lesser extent, revenue growth in this segment was also driven by a 139.8% increase in revenue from components and others (primarily EFEM-related), from RMB1.7 million in 2023 to RMB4.0 million in 2024.

- *Semiconductor packaging automation equipment*. Our revenue from semiconductor packaging automation equipment and components increased significantly from RMB3.8 million in 2023 to RMB13.2 million in 2024, primarily because we completed acquisition of Waftech—our subsidiary primarily manufacturing and selling semiconductor packaging automation equipment and components—in December 2023, and recorded the post-acquisition revenue only (sales recorded from the acquisition settlement date to year-end) for 2023. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

- *Technical services and others*. Our revenue from technical services and others increased significantly from RMB22.8 million in 2023 to RMB52.5 million in 2024, as a result of the growing demand from leading domestic fabrication plants for localized installation, repair and maintenance services for semiconductor manufacturing equipment and our increased sales of related components.

Revenue by Geographic Location

The following table sets forth a breakdown of our revenue by geographical location, based on the location where we deliver products or provide services, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Chinese mainland	128,528	96.4	292,979	94.8	477,037	91.5
Other countries and regions	4,761	3.6	15,946	5.2	44,474	8.5
Total	**133,289**	**100.0**	**308,925**	**100.0**	**521,511**	**100.0**

During the Track Record Period, our revenue generated outside Chinese mainland continued to increase both in absolute number and as a percentage of our revenue. Such increased revenue was primarily because Waftech, a Malaysian company we acquired in December 2023, has expanded its production and sales volumes since our acquisition. We generate our revenue overseas mainly from Waftech.

Cost of Sales

In 2023, 2024 and 2025, our total cost of sales was RMB97.6 million, RMB217.4 million, and RMB364.7 million, respectively.

The following table sets forth the breakdown of our cost of sales by type of products and services, in absolute amounts and as percentages of the total cost of sales, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Intelligent semiconductor transfer system	83,313	85.4	179,765	82.7	289,985	79.5
– Wafer transfer equipment	82,652	84.7	176,972	81.4	274,258	75.2
– AMHS	–	–	–	–	8,394	2.3
– Components and others	661	0.7	2,793	1.3	7,333	2.0
Semiconductor packaging automation equipment and components	1,834	1.9	6,899	3.2	28,213	7.7
Technical services and others	12,405	12.7	30,767	14.1	46,547	12.8
Total	**97,552**	**100.0**	**217,431**	**100.0**	**364,745**	**100.0**

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

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Raw materials and other component costs	68,887	70.6	168,878	77.7	276,490	75.8
Employee compensation	16,789	17.2	33,691	15.5	54,945	15.1
Depreciation and amortization	3,196	3.3	2,538	1.2	6,776	1.9
Outsourcing service fees	269	0.3	3,330	1.5	8,803	2.4
Utilities costs	606	0.6	2,566	1.2	3,027	0.8
Write-down of inventories and contract costs	1,389	1.4	1,809	0.8	2,268	0.6
Others	6,416	6.6	4,619	2.1	12,436	3.4
Total	**97,552**	**100.0**	**217,431**	**100.0**	**364,745**	**100.0**

Our cost of sales increased significantly by 122.9% from RMB97.6 million in 2023 to RMB217.4 million in 2024 and further increased by 67.8% to RMB364.7 million in 2025, primarily due to the significant increases in raw materials and other component costs and employee compensation, corresponding with the growth in our production and sales volume.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by type of products and services for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)	Gross Profit	Gross Profit Margin (%)
	(RMB in thousands, except for percentages)					
Intelligent semiconductor transfer system	23,319	21.9	63,487	26.1	117,268	28.8
– Wafer transfer equipment	22,301	21.2	62,254	26.0	106,195	27.9
– AMHS	–	–	–	–	5,029	37.5
– Components and others	1,018	60.6	1,233	30.6	6,044	45.2
Semiconductor packaging automation equipment and components	2,014	52.3	6,299	47.7	16,091	36.3
Technical services and others	10,404	45.6	21,708	41.4	23,407	33.5
Total	**35,737**	**26.8**	**91,494**	**29.6**	**156,766**	**30.1**

In 2023, 2024 and 2025, our gross profit was RMB35.7 million, RMB91.5 million, and RMB156.8 million, respectively. During the Track Record Period, the increase in our gross profit was generally in line with our revenue growth.

Our overall gross profit margins are primarily affected by our cost control (particularly with respect to our cost of raw materials and other components), product portfolio, and business scale. Our overall gross profit margin was 26.8%, 29.6%, and 30.1% in 2023, 2024, and 2025, respectively.

Comparison between 2025 and 2024: Our gross profit increased by 71.3% from RMB91.5 million in 2024 to RMB156.8 million in 2025. Our gross profit margin increased from 29.6% in 2024 to 30.1% in 2025, which was driven by the increased revenue contribution, as a percentage of total revenue, by certain products with higher gross profit margins. Specifically:

- *Intelligent semiconductor transfer system*. The gross profit margin of intelligent semiconductor transfer system increased from 26.1% in 2024 to 28.8% in 2025, primarily because (i) the increased gross profit margin of our wafer transfer equipment (especially EFEM) as we benefited from economies of scale driven by increased sales volume; (ii) we started to generate revenue from AMHS; and (iii) we had increased revenue contribution from the sale of components and others. Sales of both AMHS and components and others carried relatively higher gross profit margins and contributed a higher proportion of total revenue in 2025 compared to 2024.

- *Semiconductor packaging automation equipment*. The gross profit margin of semiconductor packaging automation equipment decreased from 47.7% in 2024 to 36.3% in 2025, primarily because we increased the employee compensation for employees in Malaysia and strategically lowered the pricing of our semiconductor packaging automation equipment to gain more market share.

- *Technical services and others*. The gross profit margin of technical services and others decreased from 41.4% in 2024 to 33.5% in 2025, primarily due to the increased customer demand for components to repair and maintain their existing equipment, while we provided technical services. Components sold under this business line form part of our tailored technical service offerings to meet customer requirements, and generally carry relatively lower gross profit margins. See "Business—Our Products and Services—Technical Services and Others."

Comparison between 2024 and 2023: Our gross profit increased significantly from RMB35.7 million in 2023 to RMB91.5 million in 2024. Our gross profit margin increased from 26.8% in 2023 to 29.6% in 2024, which was driven by the increased gross profit margin of our certain products. Specifically:

- *Intelligent semiconductor transfer system*. The gross profit margin of such business line increased from 21.9% in 2023 to 26.1% in 2024, primarily due to the increased gross profit margin of wafer transfer equipment from 21.2% to 26.0%, as we increased the average selling price of such equipment and implemented supply-side cost control measures.

- *Semiconductor packaging automation equipment and components*. The gross profit margin of such business line decreased from 52.3% in 2023 to 47.7% in 2024. As the acquisition of Waftech was completed in December 2023, only post-acquisition gross profit margin was recorded for 2023 and may therefore not be comparable to the gross profit margin of 2024.

- *Technical services and others*. The gross profit margin of such business line decreased from 45.6% in 2023 to 41.4% in 2024, as we increased the sales of components sold under this business line.

Other Net Income

In 2023, 2024, and 2025, our other net income was RMB2.7 million, RMB9.3 million, and RMB7.0 million, representing 2.1%, 3.0%, and 1.3%, respectively, of our total revenue. The following table sets forth a breakdown of our other income, in absolute amounts and as percentages of our total other net income for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Government grants	1,469	53.5	2,771	29.7	3,058	43.6
Gain from input VAT deduction in Chinese mainland	664	24.2	6,424	68.9	3,158	45.0
Interest income on deposits	369	13.4	371	4.0	362	5.2
Net gain/(loss) on disposal of property, plant and equipment and right-of-use assets	31	1.1	(9)	(0.1)	314	4.5
Net foreign exchange gain/(loss)	171	6.2	(557)	(6.0)	(1,044)	(14.9)
Insurance compensation	–	–	–	–	876	12.5
Others	44	1.6	330	3.5	294	4.1
Total	**2,748**	**100.0**	**9,330**	**100.0**	**7,018**	**100.0**

Comparison between 2025 and 2024: Our other net income decreased by 24.8% from RMB9.3 million in 2024 to RMB7.0 million in 2025, primarily due to (i) the decrease in gain from input VAT deduction in Chinese mainland as we had less input VAT super-deduction in accordance with the relevant PRC tax policy; and (ii) the increase in net foreign exchange loss as a result of currency fluctuations.

Comparison between 2024 and 2023: Our net income increased significantly from RMB2.7 million in 2023 to RMB9.3 million in 2024, primarily due to (i) the increase in gain from input VAT deduction in Chinese mainland; and (ii) the increase in government grants.

We recognized gain from input VAT deduction in Chinese mainland during the Track Record Period, pursuant to a national taxation policy jointly issued by the Ministry of Finance and the State Taxation Administration in 2023, effective until 2027, to support the development of companies engaged in integrated circuit and related industries in China.

We received government grants during the Track Record Period, which mainly represented the financial support we received from relevant local governments to (i) incentivize our investment in property, plant, and equipment associated with our factory in Haining, Zhejiang province, and (ii) support our R&D projects. The government initiatives under which such grants were awarded typically had a valid period of one year.

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Selling and Marketing Expenses

In 2023, 2024, and 2025, our selling and marketing expenses were RMB11.7 million, RMB20.4 million, and RMB30.8 million, representing 8.8%, 6.6%, and 5.9%, respectively, of our total revenue. The table below sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as percentages of our total selling and marketing expenses, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee compensation	6,950	59.5	12,589	61.6	21,346	69.2
Marketing and advertising expenses	1,728	14.8	3,058	15.0	2,120	6.9
Travel and entertainment expenses	1,221	10.5	1,381	6.8	3,543	11.5
Depreciation and amortization	1,041	8.9	1,770	8.7	1,821	5.9
Office and rental expenses	569	4.9	615	3.0	914	3.0
Others	168	1.4	1,016	4.9	1,088	3.5
Total	**11,677**	**100.0**	**20,429**	**100.0**	**30,832**	**100.0**

Comparison between 2025 and 2024: Our selling and marketing expenses increased by 50.9% from RMB20.4 million in 2024 to RMB30.8 million in 2025, primarily due to the increase in employee compensation of RMB8.8 million, and to a lesser extent, the increase in our travel and entertainment expenses in line with our business growth. We recruited more sales personnel in Chinese mainland and Malaysia to support our business growth.

Comparison between 2024 and 2023: Our selling and marketing expenses increased by 75.0% from RMB11.7 million in 2023 to RMB20.4 million in 2024, primarily due to the increase in employee compensation of RMB5.6 million, and to a lesser extent, the increase in our marketing and advertising expenses and travel expenses. We recruited more sales personnel in Chinese mainland and incurred more expenses for marketing and business development purposes in line with the rapid growth of our revenue.

Administrative Expenses

In 2023, 2024, and 2025, our administrative expenses were RMB47.5 million, RMB53.7 million, and RMB66.9 million, representing 35.6%, 17.4%, and 12.8%, respectively, of our total revenue. The table below sets forth a breakdown of our administrative expenses, in absolute amounts and as percentages of our total administrative expenses, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee compensation	19,556	41.2	30,637	57.0	37,858	56.6
Equity-settled share-based payment expenses	16,276	34.3	2,286	4.3	1,805	2.7
Consulting and professional service fees	3,534	7.4	3,139	5.8	7,686	11.5
Office and rental expenses	3,159	6.6	8,771	16.3	6,855	10.2
Depreciation and amortization	2,349	4.9	3,686	6.9	6,589	9,8
Taxes and surcharges	489	1.0	2,205	4.1	2,797	4.2
Travel and entertainment expenses	492	1.0	670	1.2	1,287	1.9
[REDACTED] expenses	–	–	–	–	1,295	1.9
Others	1,655	3.6	2,317	4.4	737	1.2
Total	**47,510**	**100.0**	**53,711**	**100.0**	**66,909**	**100.0**

Comparison between 2025 and 2024: Our administrative expenses increased by 24.6% from RMB53.7 million in 2024 to RMB66.9 million in 2025, primarily due to (i) the increase in employee compensation of RMB7.2 million, as we recruited more administrative staff to support our business expansion; (ii) the increase in consulting and professional service fees of RMB4.5 million in relation to (a) our acquisition of Xindao Wuxi and (b) labor outsourcing services for our Haining manufacturing base; (iii) the increase in depreciation and amortization of RMB2.9 million in relation to our Haining manufacturing base, which transferred from construction-in-process to property, plant and equipment in mid-2024; and (iv) the **[REDACTED]** expenses of RMB1.3 million incurred in 2025 in relation to this **[REDACTED]**.

Comparison between 2024 and 2023: Our administrative expenses increased by 13.1% from RMB47.5 million in 2023 to RMB53.7 million in 2024, primarily due to (i) the increase in employee compensation of RMB11.1 million, as we recruited more administrative staff to support our business expansion; and (ii) the increase in office and rental expenses of RMB5.6 million in relation to (a) our Haining manufacturing base which began production in 2024; (b) our expanded short-term leased premises in Shanghai and Wuhan driven by our business expansion and (c) upgrade of our internal software system; and (iii) the increase in taxes and surcharges of RMB1.7 million. The increased administrative expenses were partially offset by the decrease in equity-settled share-based payment expenses, as we granted more shares in 2023 according to our incentive scheme.

R&D Expenses

In 2023, 2024, and 2025, our research and development expenses were RMB41.3 million, RMB59.6 million, and RMB47.1 million, representing 31.0%, 19.3%, and 9.0%, respectively, of our total revenue. The following table sets out a breakdown of our R&D expenses, in absolute amounts and as percentages of our total R&D expenses, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Employee compensation	24,347	58.8	33,356	56.0	33,564	71.2
Material consumptions	11,762	28.4	19,449	32.6	6,725	14.3
Depreciation and amortization	1,755	4.2	1,925	3.2	2,570	5.5
Equity-settled share-based payment expenses	823	2.0	535	0.9	627	1.3
Travel expenses	319	0.8	1,366	2.3	2,009	4.3
Others	2,369	5.8	2,963	5.0	1,644	3.4
Total	**41,375**	**100.0**	**59,594**	**100.0**	**47,139**	**100.0**

Comparison between 2025 and 2024: Our R&D expenses decreased by 20.9% from RMB59.6 million in 2024 to RMB47.1 million in 2025, primarily due to the decrease in material consumption of RMB12.7 million in 2025, as we invested substantially in key R&D projects (especially relating to AMHS) in 2024 and started to deliver to customers in 2025.

Comparison between 2024 and 2023: Our R&D expenses increased by 44.0% from RMB41.4 million in 2023 to RMB59.6 million in 2024, primarily due to (i) the increase in employee compensation of RMB9.0 million; and (ii) the increase in material consumptions of RMB7.7 million. Both (i) and (ii) were primarily driven by the increased number of R&D staff to support our advancement of our products, and our expanded R&D scale.

Impairment Losses on Trade Receivables

We recognized impairment loss on trade receivables of RMB0.2 million, RMB1.1 million, and RMB1.5 million in 2023, 2024 and 2025, respectively.

The balance of impairment loss on trade receivables continued to increase as of the end of respective years primarily because of our rapid revenue growth, which resulted in higher balance of trade receivables. Based on the aging analysis, we recognized higher provision for expected credit losses. See "—Discussion of Selected Items From Consolidated Statements of Financial Position—Trade and Bills Receivable."

Finance Costs

The table below sets forth details of our finance costs, in absolute amounts and as percentages of our total finance costs, for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Interest on loans and borrowings	4,175	20.5	8,382	30.4	9,368	28.9
Interest on lease liabilities	62	0.3	89	0.3	165	0.5
Total interest expense on financial liabilities not at fair value through profit or loss	**4,237**	**20.8**	**8,471**	**30.7**	**9,533**	**29.4**
Less: Interest expense capitalized into construction in progress	(212)	(1.0)	(1,064)	(3.9)	–	–
Other financial costs	**4,025**	**19.8**	**7,407**	**26.8**	**9,533**	**29.4**
Changes in the carrying amount of ordinary shares with redemption rights	16,355	80.2	20,160	73.2	22,855	70.6
Total	**20,380**	**100.0**	**27,567**	**100.0**	**32,388**	**100.0**

Our finance costs increased by 35.3% from RMB20.4 million in 2023 to RMB27.6 million in 2024, and further increased by 17.5% to RMB32.4 million in 2025, mainly because (i) we recognized losses in the changes in the carrying amount of ordinary shares with redemption rights in each year during the Track Record Period, assuming the occurrence of specified trigger events, as additional Pre-**[REDACTED]** Investments expanded the underlying principal; and (ii) we undertook more loans and borrowings to support our business expansion and incurred more interest.

Income Tax

The following table sets forth the breakdown of income tax for the years indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
	(RMB in thousands, except for percentages)					
Current income tax	2,543	(298.5)	3,265	158.9	2,062	(92.2)
Deferred income tax	(3,395)	398.5	(1,210)	(58.9)	(4,300)	192.2
Total	**(852)**	**100.0**	**2,055**	**100.0**	**(2,238)**	**100.0**

We had income tax credit of RMB0.9 million and RMB2.2 million in 2023 and 2025, and had income tax expense of RMB2.1 million in 2024. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("**EIT**") rate of the PRC subsidiaries was 25% during the Track Record Period. During the Track Record Period, Our Company and Xindao Precision were entitled to a preferential rate of 15% as High-Tech Enterprises. Certain subsidiaries qualified as small low-profit enterprises and were subject to an income tax rate of 20%. Waftech, our Malaysian subsidiary, is subject to Malaysian profits tax at a rate of 24%.

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

See note 7 to the Accountants' Report in Appendix I to this document for more details.

Loss for the Year

As a result of the foregoing, we had loss for the year of RMB81.8 million, RMB63.6 million, and RMB12.7 million, in 2023, 2024, and 2025, respectively.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this document:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
ASSETS			
Non-current assets			
Property, plant and equipment	139,714	188,933	189,985
Right-of-use assets	14,320	20,941	18,645
Intangible assets	19,438	18,540	40,796
Goodwill	7,039	7,397	63,377
Deferred tax assets	3,991	5,068	8,912
Prepayments and other receivables	–	4,608	4,912
Total non-current assets	**184,502**	**245,487**	**326,627**
Current assets			
Inventories and contract costs	168,956	237,476	289,690
Trade and bills receivable	38,356	90,825	142,711
Prepayments and other receivables	58,138	46,534	24,719
Pledged bank deposits	2,880	1,310	–
Cash and cash equivalents	56,518	15,839	93,270
Total current assets	**324,848**	**391,984**	**550,390**
LIABILITIES			
Current liabilities			
Interest-bearing borrowings	154,536	157,144	204,317
Trade and other payables	127,814	230,584	284,467
Lease liabilities	1,650	3,905	4,436
Income tax payables	2,888	3,120	106
Ordinary shares with redemption rights	284,420	304,580	427,435
Total current liabilities	**571,308**	**699,333**	**920,761**
NET CURRENT LIABILITIES	**(246,460)**	**(307,349)**	**(370,371)**
TOTAL ASSETS LESS CURRENT LIABILITIES	**(61,958)**	**(61,862)**	**(43,744)**

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current liabilities			
Interest-bearing borrowings	41,252	95,448	97,033
Lease liabilities	1,245	5,832	2,611
Deferred income	11,398	11,269	17,307
Deferred tax liabilities	3,943	3,955	7,322
Total non-current liabilities	**57,838**	**116,504**	**124,273**
NET LIABILITIES	**(119,796)**	**(178,366)**	**(168,017)**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) property, (ii) equipment and machinery; (iii) leasehold improvements; (iv) vehicles; (v) computer and office equipment; and (vi) construction in progress. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Property	–	168,127	170,189
Equipment and machinery	3,493	9,072	7,837
Leasehold improvements	987	5,546	6,260
Vehicles	988	1,227	667
Computer and office equipment	1,464	4,961	5,032
Construction in progress	132,782	–	–
Total	**139,714**	**188,933**	**189,985**

Our property, plant and equipment remained relatively stable at RMB188.9 million as of December 31, 2024 and RMB190.0 million as of December 31, 2025.

Our property, plant and equipment increased from RMB139.7 million as of December 31, 2023 to RMB188.9 million as of December 31, 2024, mainly due to the (i) our recognition of property attributable to the continued construction of our factory in Haining, Zhejiang province, which resulted in decrease in construction in progress and increase in property; (ii) the increase in equipment and machinery of RMB5.6 million for purchase of production equipment; and (iii) the increase in leasehold improvements of RMB4.6 million for renovation. Both (ii) and (iii) mentioned above were mainly related to our then newly constructed Haining manufacturing base in 2024.

Right-of-Use Assets

Our right-of-use assets primarily consist of (i) land use right; and (ii) properties leased for own use carried at cost.

Our right-of-use assets decreased from RMB20.9 million as of December 31, 2024 to RMB18.6 million as of December 31, 2025, mainly due to the depreciation of our leased properties.

Our right-of-use assets increased from RMB14.3 million as of December 31, 2023 to RMB20.9 million as of December 31, 2024, mainly due to the commencement of new leases/tenancies of premises by our Company in Shanghai and by Waftech in Malaysia.

Inventories and Contract Costs

Inventories

Our inventories primarily comprise (i) raw materials and other components, which primarily consist of wafer-handling robots, loadports, fan filter units (FFUs), aligners, industrial computing hardware, and other mechanical and electrical parts, motors, and sensors; (ii) work in progress; (iii) finished goods; and (iv) goods delivered to customers. The following table sets forth the breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Raw materials and other components	69,103	63,399	75,073
Work in progress	20,842	53,939	73,349
Finished goods	26,499	18,927	17,253
Goods delivered to customers	47,959	94,949	106,827
Total	**164,403**	**231,214**	**272,502**

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	137,608	187,521	248,638
One to two years	26,658	36,797	17,239
Two to three years	137	6,896	6,625
Total	**164,403**	**231,214**	**272,502**

We assess impairment to inventories from time to time during the Track Record Period, and may make provision to write down our inventories to the net realizable value if the inventories become expired or damaged, or their prices went down, and their net realizable value substantially decreases.

As of December 31, 2023, 2024 and 2025, the provision for impairment of inventories was RMB1.4 million, RMB2.0 million, and RMB5.5 million, respectively. We believe the risk associated with our inventory utilization is relatively low, given that (i) most of our inventories were aged within one year; and (ii) our inventories, mainly consisting of work-in-progress, finished goods and goods delivered to customers mainly relating to EFEMs, are less likely to deteriorate in the short term and can be gradually utilized or sold through ongoing contracts.

Contract Costs

Our contract costs represented the costs we incur to carry out the contract, such as costs for providing onsite services to customers. These costs will not be immediately recognized as cost of sales before the check and acceptance by our customers. See note 16 to the Accountants' Report in Appendix I to this document.

Our contract costs increased from RMB4.6 million as of December 31, 2023 to RMB6.3 million as of December 31, 2024, and further increased to RMB17.2 million in 2025, as we incurred more costs to fulfill more contracts, which was in line with our business growth.

Our inventories and contract costs increased from RMB169.0 million as of December 31, 2023 to RMB237.5 million as of December 31, 2024, and further increased to RMB289.7 million as of December 31, 2025, primarily reflecting the increase in our sales orders driven by our business growth. The following table sets forth our inventories and contract costs turnover days for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
Inventories and contract costs turnover days[1]	579	341	263

Note:

(1) Inventories and contract costs turnover days were calculated based on the average of opening and closing balance of inventories and contract costs for the relevant year, divided by the cost of sales for the same year and multiplied by 365 days for a given year.

Our inventories and contract costs turnover days were 579 days in 2023, which was relatively long primarily due to (i) our manufacturing bases being in the ramp-up phase in terms of production capacity, during which we stocked certain key raw materials and components in anticipation of future growth; and (ii) the time required for our products to be integrated into our customers' manufacturing systems, which resulted in a longer product acceptance cycle during our early development stage. As we completed verification of our demo wafer transfer equipment with more newly engaged customers and gained greater acceptance for our subsequently delivered products, our inventories and contract costs turnover days decreased to 341 days in 2024 and further to 263 days in 2025.

As of March 31, 2026, RMB77.2 million or 26.2% of our inventories and contract costs as of December 31, 2025 was subsequently utilized/sold.

Trade and Bills Receivable

Our trade receivables represent the receivables due from our customers during the ordinary course of business, while our bills receivable are payment instruments received from customers as settlement for goods sold or services provided. The following table sets forth the breakdown of our trade and bills receivable, net of allowance for impairment, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables, gross	38,747	92,297	142,736
Less: loss allowance	(391)	(1,472)	(3,015)
Subtotal	**38,356**	**90,825**	**139,721**
Bills receivable, carried at amortized cost	–	–	2,781
Bills receivable, measures at FVOCI	–	–	209
Total	**38,356**	**90,825**	**142,711**

Our trade and bills receivable increased from RMB38.4 million as of December 31, 2023 to RMB90.8 million as of December 31, 2024, and further increased to RMB142.7 million as of December 31, 2025, primarily due to our business expansion and revenue growth.

The following table sets forth an aging analysis of the trade receivables based on the revenue recognition date and net of loss allowance, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within six months	35,945	89,575	125,838
Six months to one year	2,405	1,062	12,053
Over one year	6	188	1,830
Total	**38,356**	**90,825**	**139,721**

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

	Year Ended December 31,		
	2023	2024	2025
Trade receivables turnover days(1)	75	76	80

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables (less allowance for impairment) for the relevant year, divided by the revenue for the same year and multiplied by 365 days in that year.

Our trade receivables receivables turnover days remained relatively stable at 75 days in 2023 and 76 days in 2024. Our trade receivables turnover days increased from 76 days in 2024 to 80 days in 2025, which was in line with our business expansion and corresponding increase in the balance of trade receivables.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant difficulty in collecting trade and bills receivables from customers.

As of March 31, 2026, RMB88.7 million or approximately 62.1% of our trade and bills receivable as of December 31, 2025 had been subsequently settled.

Prepayments and Other Receivables

Our current prepayment and other receivables consist of (i) prepayment for procurement of raw materials and other components, and certain other operating expenses in the ordinary course of business; (ii) other receivables, which mainly included VAT recoverable, capital injection deposit in relation to investment in Waftech, one of our subsidiaries, and short-term rental deposits.

Our non-current receivables consist of (i) prepayment for purchasing manufacturing equipment for our Haining manufacturing base, and the land use right for the manufacturing capacity expansion of our Malaysia manufacturing base; and (ii) rental deposits in relation to our leased office premises.

The following table sets forth the breakdown of our prepayment and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current			
Prepayments	50,471	21,909	14,622
Other receivables	7,581	24,553	9,075
Contract asset	86	72	1,022
Subtotal	**58,138**	**46,534**	**24,719**
Non-current			
Prepayment for purchase of property, plant and equipment and right-of-use asset	–	3,836	4,140
Rental deposits	–	772	772
Subtotal	**–**	**4,608**	**4,912**
Total	**58,138**	**51,142**	**29,631**

We had non-current receivables of RMB4.6 million, and RMB4.9 million as of December 31, 2024, and 2025, respectively. In 2024, we purchased manufacturing equipment for our then newly built Haining manufacturing base. In 2025, we made prepayment for the land use right in Malaysia.

We had current prepayment and other receivables of RMB58.1 million, RMB46.5 million and RMB24.7 million as of December 31, 2023, 2024, and 2025, respectively. The continuous decreases in our current prepayment and other receivables were mainly due to the decreased balance of prepayments for procurement of raw materials and other components. Compared to December 31, 2023, the decrease in our current prepayment and other receivables as of December 31, 2024 was partially offset by the increase in other receivables, mainly due to (i) the temporary impact of the capital contribution to the Waftech, which was recorded as a receivable at year end due to delays in interbank cross-border settlement, and the capital contribution was received by Waftech shortly after the year end; and (ii) our increased VAT recoverable.

Trade and Other Payables

Our trade and other payables primarily consist of payments due to our suppliers for raw materials and other components and services. Our trade payables are non-interest-bearing and are normally settled within one year or are repayable on demand. The table below sets forth our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Trade payables	13,289	59,992	84,823
Contract liabilities	30,824	79,717	79,114
Other payables:			
– Payroll payables	13,909	14,384	21,327
– Construction and equipment payable	62,397	59,598	40,796
– Other taxes and surcharges payables	3,700	4,382	5,787
– Payable for acquisition of a subsidiary	–	–	33,200
– Provision	1,691	2,450	6,513
– Others	2,004	10,061	12,907
Total	**127,814**	**230,584**	**284,467**

Our trade and other payables were RMB127.8 million, RMB230.6 million and RMB284.5 million as of December 31, 2023, 2024 and 2025, respectively. The continuous increase in our trade and other payables was mainly due to (i) our increased procurement needs resulting from business expansion and increased production; and (ii) our payables relating to the acquisition of Xindao Wuxi.

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. The following table sets forth an aging analysis of the trade payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	12,761	58,186	82,220
One to two years	412	1,315	1,218
Two to three years	116	381	930
Over three years	–	110	455
Total	**13,289**	**59,992**	**84,823**

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we had no material default in payment of any trade and other payables. As of the Latest Practicable Date, to the best knowledge of our Directors, none of the outstanding balances of our trade and other payables were in dispute. For the credit term with our five largest suppliers during the Track Record Period, see "Business—Our Suppliers—Top Suppliers During the Track Record Period."

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

	Year Ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	72	61	72

Note:

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

Our trade payables turnover days decreased from 72 days in 2023 to 61 days in 2024, as we accelerated settlement with our suppliers. Our trade payables turnover days increased from 61 days in 2024 to 72 days in 2025 primarily due to our increased procurement of raw materials and other components in line with our business growth, which resulted in an increased balance of trade payables.

As of March 31, 2026, RMB51.0 million or 60.1% of our trade payables outstanding as of December 31, 2025, were subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

Our use of cash primarily related to operating activities and capital expenditure. We have historically financed our operations primarily through a consolidation of cash flow generated from our operations, proceeds from Pre-**[REDACTED]** Investments, and interest-bearing borrowings. The following table sets forth a summary of our cash flows information for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows (used in)/generated from operating activities	(76,329)	(25,340)	1,024
Net cash flows (used in) investing activities	(116,421)	(62,092)	(62,983)
Net cash flows generated from financing activities	204,789	46,535	139,272
Net increase/(decrease) in cash and cash equivalents	12,039	(40,897)	77,313
Cash and cash equivalents at beginning of the year	44,387	56,518	15,839
Effects of exchange rate changes	92	218	118
Cash and cash equivalents at end of the year	56,518	15,839	93,270

Operating Activities

In 2025, our net cash generated from operating activities was RMB1.0 million, reflecting our loss before taxation of approximately RMB15.0 million adjusted by (i) a net increase of certain non-cash or non-operating items of RMB56.0 million, which primarily included financial costs of RMB22.9 million arising from changes in the carrying amount of ordinary shares with redemption rights, depreciation of property, plant and equipment of RMB10.7 million, other finance costs of RMB9.5 million, and depreciation of right-of-use assets of RMB4.1 million; and (ii) a net increase in working capital of RMB34.9 million. The net increase in working capital was primarily attributable to an increase in inventories and contract costs of RMB54.5 million, an increase in trade and bills receivable of RMB53.4 million, partially offset by an increase in trade and other payables of RMB43.8 million and a decrease in prepayments and other receivables of RMB21.8 million.

In 2024, our net cash used in operating activities was RMB25.3 million, reflecting our loss before taxation of approximately RMB61.5 million adjusted by (i) a net increase of certain non-cash or non-operating items of RMB43.6 million, which primarily included financial costs of RMB20.2 million arising from changes in the carrying amount of ordinary shares with redemption rights, other finance costs of RMB7.4 million, depreciation of property, plant and equipment of RMB5.3 million, and equity-settled share-based payment expenses of RMB3.2 million; and (ii) a net increase in working capital of RMB4.3 million. The net increase in working capital was primarily attributable to (i) an increase in inventories and contract costs of RMB70.3 million and (ii) an increase in trade and bills receivable of RMB53.6 million, partially offset by an increase in trade and other payables of RMB107.3 million.

In 2023, our net cash used in operating activities was RMB76.3 million, reflecting our loss before taxation of approximately RMB82.7 million adjusted by (i) a net increase of certain non-cash or non-operating items of RMB47.7 million, which primarily included equity-settled share-based payment expenses of RMB17.4 million, financial costs of RMB16.4 million arising from changes in the carrying amount of ordinary shares with redemption rights, depreciation of property, plant and equipment of RMB4.0 million, and other finance costs of RMB4.0 million; and (ii) a net increase in working capital of RMB41.3 million. The net increase in working capital was primarily attributable to an increase in inventories and contract costs of RMB29.7 million, an increase in trade and bills receivable of RMB21.6 million and an increase in prepayments and other receivables of RMB7.8 million, partially offset by an increase in deferred income of RMB11.4 million and an increase in trade and other payables of RMB3.4 million.

Investing Activities

In 2025, we had net cash used in investing activities of RMB63.0 million, primarily reflecting payment for acquisition of a subsidiary, net of cash acquired of RMB32.0 million in relation to Xindao Wuxi, and payment for acquisition of property, plant and equipment and intangible assets of RMB27.9 million for the construction of our Haining manufacturing base.

In 2024, we had net cash used in investing activities of RMB62.1 million, primarily reflecting payment for acquisition of property, plant and equipment and intangible assets of RMB62.1 million for the construction of our Haining manufacturing base.

In 2023, we had net cash used in investing activities of RMB116.4 million, primarily reflecting (i) payment for acquisition of property, plant and equipment and intangible assets of RMB75.4 million, (ii) payment for acquisition of a subsidiary, net of cash acquired of RMB28.7 million and (iii) payment for acquisition of land use right of RMB12.3 million. We incurred items (i) and (iii) above for the construction of our Haining manufacturing base, while item (ii) was primarily in relation to our acquisition of Waftech in December 2023. See "History, Development and Corporate Structure—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

Financing Activities

In 2025, we had net cash generated from financing activities of RMB139.3 million, primarily reflecting proceeds from interest-bearing borrowings of RMB274.7 million and proceeds from the issuance of ordinary shares with redemption rights of RMB100.0 million, partially offset by repayment of interest-bearing borrowings of RMB225.9 million.

In 2024, we had net cash generated from financing activities of RMB46.5 million, primarily reflecting proceeds from interest-bearing borrowings of RMB229.8 million, partially offset by repayment of interest-bearing borrowings of RMB173.0 million.

In 2023, we had net cash generated from financing activities of RMB204.8 million, primarily reflecting proceeds from interest-bearing borrowings of RMB211.9 million, proceeds from the issuance of ordinary shares with redemption rights of RMB70.0 million and proceeds from capital injection by investors of RMB17.2 million, partially offset by repayment of interest-bearing borrowings of RMB88.2 million.

Net Current Assets

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
				(unaudited)
Current assets				
Inventories and contract costs	168,956	237,476	289,690	291,917
Trade and other receivables	38,356	90,825	142,711	145,404
Prepayments, other receivables and other assets	58,138	46,534	24,719	73,843
Pledged bank deposits	2,880	1,310	–	–
Cash and cash equivalents	56,518	15,839	93,270	196,682
Total current assets	**324,848**	**391,984**	**550,390**	**707,846**
Current liabilities				
Interest-bearing borrowings	154,536	157,144	204,317	199,209
Trade and other payables	127,814	230,584	284,467	297,806
Lease liabilities	1,650	3,905	4,436	5,306
Income tax payables	2,888	3,120	106	9,622
Ordinary shares with redemption rights	284,420	304,580	427,435	505,072
Total current liabilities	**571,308**	**699,333**	**920,761**	**1,017,015**
NET CURRENT LIABILITIES	**(246,460)**	**(307,349)**	**(370,371)**	**(309,169)**

Our net current liabilities decreased from RMB370.4 million as of December 31, 2025 to RMB309.2 million as of March 31, 2026, primarily due to (i) an increase in cash and cash equivalents of RMB103.4 million and (ii) an increase in prepayments, other receivables and other assets of RMB49.1 million, partially offset by the increase in ordinary shares with redemption rights of RMB77.6 million.

Our net current liabilities increased from RMB307.3 million as of December 31, 2024 to RMB370.4 million as of December 31, 2025, primarily due to (i) an increase in ordinary shares with redemption rights of RMB122.9 million; (ii) an increase in trade and other payables of RMB53.9 million; and (iii) an increase in interest-bearing borrowings of RMB47.2 million, partially offset by (i) an increase in cash and cash equivalent of RMB77.4 million; (ii) an increase in inventories and contract costs of RMB52.2 million; and (iii) an increase in trade and other receivables of RMB51.9 million.

Our net current liabilities increased from RMB246.5 million as of December 31, 2023 to RMB307.3 million as of December 31, 2024, primarily due to (i) an increase in trade and other payables of RMB102.8 million; (ii) an increase in ordinary shares with redemption rights of RMB20.2 million, partially offset by (i) an increase in inventories and contract costs of RMB68.5 million and (ii) an increase in trade and other receivables of RMB52.5 million.

For more information, see "—Discussion of Selected Items from Consolidated Statements Of Financial Position."

During the Track Record Period, we recognized ordinary shares with redemption rights as financial liabilities. Upon **[REDACTED]**, the termination of the Pre-**[REDACTED]** Investors' redemption rights will result in the re-designation of ordinary shares from liabilities to equity. See "—Indebtedness—Ordinary Shares with Redemption Rights" and note 23 to the Accountants' Report in Appendix I to this document.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the view that we have available sufficient working capital for our present requirements, that is for at least the next 12 months from the date of this document, after taking into account below sources of liquidity available to us:

(i) the classification of ordinary shares with redemption rights of RMB427.4 million as of December 31, 2025, the holders of which have agreed that their redemption rights will automatically be canceled upon **[REDACTED]** and the related liabilities will be re-classified to equity;

(ii) the undrawn bank facilities of RMB175.2 million as of March 31, 2026; and

(iii) future cash inflows from operations.

Our Directors confirm that we had no material defaults in payment of trade and non-trade payables and borrowings, and no material breaches of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments mainly represented contracted but not provided commitments for property, plant and equipment and right-of-use assets. As of December 31, 2023, 2024 and 2025, we had capital commitments of RMB28.6 million, RMB6.2 million and RMB14.1million, respectively. See note 30 to the Accountants' Report in Appendix I to this document.

CAPITAL EXPENDITURE

The following table sets forth the details of our capital expenditure for the years indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Payment for purchase of property, plant and equipment	75,445	62,099	27,947
Payment for acquisition of a subsidiary, net of cash acquired	28,678	–	32,039
Payment for purchase of right-of-use assets	12,298	–	3,524
Total	**116,421**	**62,099**	**63,510**

We funded our capital expenditure requirements during the Track Record Period mainly from interest-bearing borrowings, proceeds from Pre-**[REDACTED]** Investments, and cash generated from operations. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow, equity and debt financing and net **[REDACTED]** received from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**." We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	**2024**	**2025**	**2026**
	(RMB in thousands)			
				(unaudited)
Current				
Interest-bearing borrowings	154,536	157,144	204,317	199,209
Lease liabilities	1,650	3,905	4,436	5,306
Ordinary shares with redemption rights	284,420	304,580	427,435	505,072
Non-current				
Interest-bearing borrowings	41,252	95,448	97,033	162,503
Lease liabilities	1,245	5,832	2,611	6,154
Total	**483,103**	**566,909**	**735,832**	**878,244**

Interest-Bearing Borrowings

As of December 31, 2023, 2024, 2025 and March 31, 2026, we recorded interest-bearing borrowings of RMB195.8 million, RMB252.6 million, RMB301.4 million and RMB361.7 million, respectively.

Our borrowings were primarily denominated in Renminbi, with a small portion denominated in Malaysian Ringgit. The effective interest rates of our borrowings, including borrowings with fixed rate and variable rate, ranged from 3.20%–3.65%, 2.70%–4.80%, and 2.40%–4.20%, per annum in 2023, 2024 and 2025, respectively. We consider these interest rates to be within the range of market interest rates. Our interest-bearing borrowings during the Track Record Period were primarily used for business expansion. We consider our bank borrowing agreements to contain standard terms, conditions and covenants that are customary for commercial bank loans. For details, see note 20 to the Accountants' Report in Appendix I to this document. As of March 31, 2026, our unutilized banking facilities amounted to RMB175.2 million.

We are subject to certain restrictive covenants under the terms of our bank loans, which are commonly found in loan arrangements with financial institutions in countries/regions where we operate, and may restrict or otherwise adversely affect our operations. These covenants may restrict, among other things, the use of proceeds and pledged assets related to bank loans, and our ability to engage in change-of-control transactions, and reduce our working capital. Furthermore, some of our borrowings are subject to the fulfillment of covenants relating to certain of our financial ratios, as are commonly found in loan arrangements with financial institutions.

Our Directors confirm that we did not have any difficulty in obtaining bank loans and other borrowings, or material default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024, 2025 and March 31, 2026, we recorded lease liabilities of RMB2.9 million, RMB9.7 million, RMB7.0 million and RMB11.5 million, respectively, which were primarily in relation to the properties we leased or rented for our operational premises. For details, see note 22 to the Accountants' Report in Appendix I to this document.

Ordinary Shares with Redemption Rights

Our ordinary shares with redemption rights reflect preferential rights granted to certain investors. Under the preferential rights granted to certain investors, upon the occurrence of specified trigger events, the investors have right to request us to redeem the invested capital held by them, at the original subscription consideration plus simple interest accrued at a rate of 8% per annum, for cash. We recognized our obligation to pay cash to those investors with redemption rights as financial liabilities.

As of December 31, 2023, 2024, 2025, and March 31, 2026, the carrying amount of the ordinary shares with redemption rights amounted to RMB284.4 million, RMB304.6 million, RMB427.4 million and RMB505.1 million, respectively. The increase in the balance was primarily driven by the issuance of successive rounds of Pre-**[REDACTED]** Investments. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" and note 23 to the Accountants' Report in Appendix I to this document.

Indebtedness Statement

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that there had been no material changes in our indebtedness since March 31, 2026, being the latest practicable date for determining our indebtedness, up to the date of this document.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any significant contingent liabilities.

KEY FINANCIAL RATIOS

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

	As of/Year ended December 31,		
	2023	2024	2025
Revenue growth rate(1)	N/A	131.8%	68.8%
Gross profit margin(2)	26.8%	29.6%	30.1%
Current ratio(3)	0.57	0.56	0.60

Notes:

(1) Revenue growth rate equals our increase in total revenue divided by total revenue in the previous year and multiplied by 100%.

(2) Gross profit margin is calculated by dividing gross profit for the year by total revenue for the year and multiplied by 100%.

(3) Current ratio is calculated based on the total current assets divided by the total current liabilities as of the relevant dates.

Current Ratio

Our current ratio improved from 0.56 as of December 31, 2024 to 0.60 as of December 31, 2025, primarily because we had adjusted net profit (non-IFRS measure) and proceeds from our Series C financing in 2025. Our current ratio remained relatively stable at 0.57 and 0.56 as of December 31, 2023 and 2024.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in note 31 to the Accountants' Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance. Our balances with related parties as of December 31, 2025 are set out in note 31 to the Accountants' Report in Appendix I to this document.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

FINANCIAL RISK DISCLOSURES

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. For more details, see note 29 to the Accountants' Report in Appendix I to this document. As of the Latest Practicable Date, we did not hedge or consider necessary to hedge any of these risks.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables. Our exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit quality, which we consider to have low credit risk. Credit risk in respect of other receivables is limited, as the balance mainly includes deposits, value-added tax recoverable and amounts due from related parties. We do not provide any guarantees that would expose us to credit risk.

Liquidity Risk

Our policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. For further details, see note 29(b) of the Accountants' Report in Appendix I to this document.

Interest Rate Risk

Interest-bearing financial instruments at variable rates expose us to cash flow interest rate risk and fair value interest rate risk, respectively. We determine the appropriate weightings of fixed-rate and floating-rate interest-bearing instruments based on prevailing market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The fair value interest rate risk and cash flow interest rate risk to which we are exposed are not significant. For further details, see note 29(c) of the Accountants' Report in Appendix I to this document.

Currency Risk

We are not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than functional currencies of the respective entities comprising our Group are not material. For further details, see note 29(d) of the Accountants' Report in Appendix I to this document.

Fair Value Measurement

(i) Financial instruments carried at fair value

The following table presents the fair value of our financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

In 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. Valuation techniques and inputs used in Level 2 fair value measurements.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of our financial assets and liabilities carried at amortized cost were not materially different from their fair values as of December 31, 2023, 2024 and 2025. For further details, see note 29(e) of the Accountants' Report in Appendix I to this document.

DIVIDENDS

No dividend had been paid or declared by our Company during the Track Record Period. The declaration and payment of any dividends in the future will be determined by our Board and subject to our Articles of Association and the PRC Company Law, and will depend on a few factors, including our financial performance and business operation, capital requirements and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisors, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate at least 10% of our net profit to our statutory common reserve fund until the cumulative amount of the reserve fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses from prior fiscal years have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the **[REDACTED]**.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSE

Our **[REDACTED]** expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. Based on the **[REDACTED]** of HK$**[REDACTED]** per Share, our **[REDACTED]** expenses in relation to the **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), representing **[REDACTED]**% of the **[REDACTED]**. The **[REDACTED]** expenses consist of (i) **[REDACTED]** related expenses, including **[REDACTED]**, of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (ii) non-**[REDACTED]**related expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), comprising (a) fees and expenses of our legal advisers and reporting accountants of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million), and (b) other fees and expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million).

During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** million (HK$**[REDACTED]** million), RMB**[REDACTED]** million (HK$**[REDACTED]** million) of which was charged to our consolidated statements of profit or loss, and RMB**[REDACTED]** (HK$**[REDACTED]** million) of which was attributable to the issue of Shares and will be deducted from equity. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) after the Track Record Period, approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) of which is attributable to the issue of Shares and will be deducted from equity upon **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II—Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document there had been no material adverse change in our financial, operational or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

PROPERTY INTERESTS AND PROPERTY VALUATION

AVISTA Valuation Advisory Limited ("**AVISTA**"), an independent property valuer, conducted a valuation of our selected property interests as of April 30, 2026. AVISTA concluded that the aggregate value of these selected property interests as of that date was RMB192.5 million. The valuation letter and the summary of property valuation are provided in Appendix III to this document.

A reconciliation of the net book value of the selected properties as of December 31, 2025, as set out in the Accountants' Report in Appendix I, to their fair value as of April 30, 2026, as stated in the property valuation report in Appendix III, is presented below:

	(RMB in thousands)
Net book value of the property[1] as of December 31, 2025	181,854
Movement during the period from December 31, 2025 to April 30, 2026 (unaudited)	(1,180)
Net book value of the property[1] as of April 30, 2026 (unaudited)	180,674
Net valuation surplus	11,856
Market value of the property[1] as of April 30, 2026 as set out in the property valuation report in Appendix III to this document	**192,530**

Note:

(1) Including the land use right, buildings, and structures of the subject property of our Haining manufacturing base.