Application Proof of

Shanghai GoNa Semiconductor Technology Co., Ltd.
上海果納半導體技術股份有限公司

(the "**Company**")

(a joint stock company established in the People's Republic of China with limited liability)

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GONA-SEMI

Shanghai GoNa Semiconductor Technology Co., Ltd.
上海果納半導體技術股份有限公司

(a joint stock company established in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB[0.10] per H Share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

[REDACTED], [REDACTED], [REDACTED] ***and*** **[REDACTED]**
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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

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CONTENTS

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to **[REDACTED]** *in the* **[REDACTED]**.

There are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

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

Our Business Model

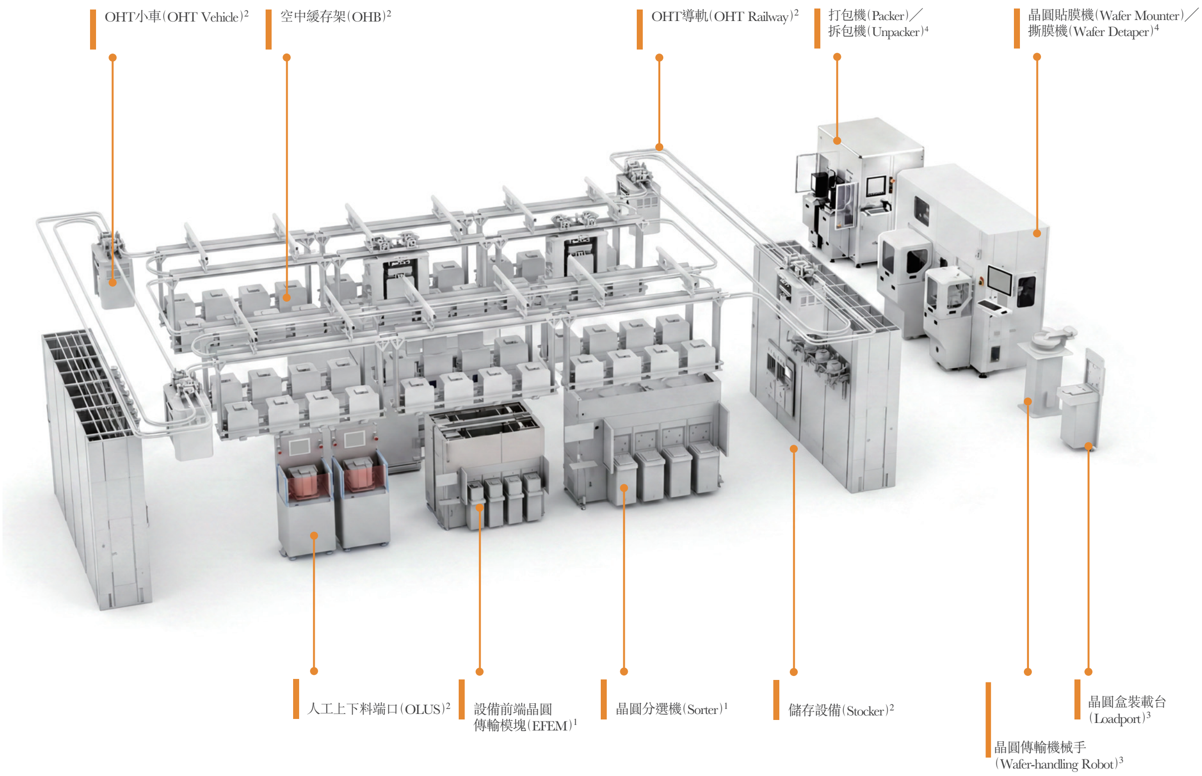
We operate an integrated model centered on the research and development, manufacturing, and sale of intelligent semiconductor transfer system and related components for fabrication, complemented by the provision of technical services. Since our incorporation, we have been focusing on making wafer movement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

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

See "Business—Our Business Model."

Our Products and Services

The following diagram illustrates our product portfolio:



Notes:

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

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

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

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

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

Details of our products and services are set forth below:

Wafer Transfer Equipment

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

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

Automated Material Handling Systems (AMHS)

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

Semiconductor Packaging Automation Equipment

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

Technical Services and Others

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

Intelligent Controls Software

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

See "Business—Our Products and Services."

Our Market Opportunities

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

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

COMPETITION

China's semiconductor intelligent transfer system market is highly competitive. Leading international players currently dominate the market while domestic players are rapidly emerging. We face intense competition from established international players with mature technology stacks and ecosystem advantages, as well as other domestic competitors targeting the same market segments as we do. The increasing domestic demand for technology alternatives, coupled with the rapid evolution of process nodes, creates both opportunities and challenges for us. See "Industry Overview."

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contribute to our success:

- A leading China-based provider of intelligent semiconductor transfer system;
- Proprietary technology advantages through technological innovation and R&D;
- Comprehensive product portfolio covering the full wafer transfer process, precisely matching diverse customer needs;
- Core product performance benchmarked against international standards;
- Customer-centric approach with strong penetration among industry-leading customers; and
- Visionary and experienced management team.

OUR GROWTH STRATEGIES

We will focus on the following key strategies to drive our future growth:

- Continued R&D investment to build an intelligent semiconductor transfer platform;
- Strengthen our talent base;
- Accelerate global expansion;
- Pursue strategic investments and acquisitions; and
- Deepen vertical integration across R&D and industrialization.

RESEARCH AND DEVELOPMENT

Our research and development capabilities are fundamental to sustaining our market-leading position and driving long-term growth. By focusing on in-house R&D of core technologies, we are able to respond swiftly to the evolving requirements of wafer manufacturing.

We have made consistent and meaningful investments in R&D throughout the Track Record Period. 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 total revenue in the respective years. Such sustained investment supports the continuous advancement of our core technologies and the business growth.

Our R&D efforts are underpinned by a stable and experienced technical team. As of December 31, 2025, we had 145 experienced technical professionals, representing 27.7% of our total headcount. Many of our R&D personnel are seasoned semiconductor-related engineers with deep expertise in technology and materials innovation.

During the Track Record Period, we undertook a number of R&D projects relating to our EFEMs, AMHS, and their key components, to align with the latest wafer manufacturing technologies.

See "Business—Research and Development—Key R&D Projects."

MANUFACTURING

We operate two manufacturing bases in China and one in Malaysia specializing in the manufacturing of intelligent semiconductor transfer system and semiconductor packaging automation equipment, respectively. As of December 31, 2025, our manufacturing bases had a total GFA of 59,794 sq.m. Our manufacturing operations integrate digital workflows, and real-time monitoring systems, which are designed to enhance process accuracy, maintain production stability, and achieve cost efficiency at scale.

See "Business—Manufacturing."

SALES AND MARKETING

We have established an extensive sales and customer network through a direct sales model. Our sales and marketing activities are mainly conducted by our in-house team, which engages customers through business visits, on-site assessments, business negotiations, tender processes and industry exhibitions and conferences.

During the Track Record Period, we derived our revenue from direct sales to customers. Following the acquisition of Waftech in December 2023, we further expanded our overseas presence by leveraging Waftech's established international sales network, extending our customer reach to markets outside Chinese mainland.

See "Business—Sales and Marketing."

OUR CUSTOMERS

Our customers primarily consisted of semiconductor manufacturing equipment companies, IDM companies and wafer foundries, with whom we generally established cooperation on a direct basis. In 2023, 2024 and 2025, revenue from our five largest customers amounted to RMB80.2 million, RMB261.3 million and RMB361.2 million, respectively, representing 60.1%, 84.6% and 69.3% of our total revenue. During the same years, revenue attributable to our largest customer in each year was RMB24.1 million, RMB183.3 million, and RMB207.8 million, accounting for 18.1%, 59.4%, and 39.8% of our total revenue, respectively.

See "Business—Our Customers."

OUR SUPPLIERS

Our suppliers primarily comprised suppliers of raw materials and other components used in the manufacturing of our products. In 2023, 2024 and 2025, purchases from our five largest suppliers amounted to RMB59.8 million, RMB159.4 million and RMB187.2 million, respectively, representing 57.0%, 57.8% and 53.3% of our total purchases in the respective years. During the same years, purchases from our single largest supplier in each year was RMB23.4 million, RMB78.2 million and RMB87.3 million, respectively, representing 22.3%, 28.4% and 24.8% of our total purchases.

See "Business—Our Suppliers."

RISK FACTORS

Our business and operations involve certain risks and uncertainties as set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in our H Shares. These risks include, among others, the following:

- Our industry is defined by rapid technological change and evolving market demands. Any failure to keep pace with technological innovation, changing customer demands or industry developments could adversely affect our competitiveness and business;
- The industry in which we operate is highly competitive. If we fail to compete effectively against other market players, our business, financial condition and results of operations may be adversely affected;
- We depend on the growth of the semiconductor industry. Any slowdown in the growth of semiconductor industry could adversely affect our business, financial condition, and results of operations;
- Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth; and
- If we are unable to retain our existing customers or attract new customers, our business, financial condition, and results of operations could be materially and adversely affected.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Ye, the Chairlady, executive Director and chief executive officer, was entitled to exercise approximately 54.74% of the voting rights in our Company through Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang.

Immediately after completion of the Share Subdivision and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Ms. Ye will, through Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang, control approximately **[REDACTED]** of the aggregate voting power of our enlarged share capital. Therefore, upon completion of the **[REDACTED]**, Ms. Ye, Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang will constitute a group of Controlling Shareholders.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of historical financial information should be read together with the consolidated financial statements in the Accountants' Report in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss

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. We exclude these items because they are not expected to result in future cash payments. 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

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.

We experienced the steady revenue growth during the Track Record Period. We recorded revenue of RMB133.3 million, RMB308.9 million, RMB521.5 million in 2023, 2024 and 2025, respectively.

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**

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	184,502	245,487	326,627
Total current assets	324,848	391,984	550,390
Total assets	**509,350**	**637,471**	**877,017**
Total non-current liabilities	57,838	116,504	124,273
Total current liabilities	571,308	699,333	920,761
Total liabilities	**629,146**	**815,837**	**1,045,034**
Net current liabilities	**(246,460)**	**(307,349)**	**(370,371)**
Net liabilities	**(119,796)**	**(178,366)**	**(168,017)**

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 "Financial Information—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 "Financial Information—Indebtedness—Ordinary Shares with Redemption Rights" and note 23 to the Accountants' Report in Appendix I to this document.

Summary of Consolidated Statements of Cash Flows

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

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.

DIVIDENDS AND DIVIDEND POLICY

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, and capital requirements. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, 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]**.

USE OF [REDACTED]

Based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, we estimate that we will receive **[REDACTED]** of approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million) from the **[REDACTED]** after deduction of **[REDACTED]** fees and **[REDACTED]** and estimated expenses payable by us in connection with the **[REDACTED]**. We intend to use the **[REDACTED]** as follows:

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for R&D and technology innovation;
- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for enhancement of manufacturing capacity;
- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for mergers, acquisitions and strategic investments to achieve our long-term growth strategies; and
- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for working capital and other general corporate purposes.

[REDACTED]

[REDACTED]

[REDACTED] EXPENSES

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]** commissions, 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]** million (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 **[REDACTED]** 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.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the **[REDACTED]** of the Shares on the Stock Exchange.

RECENT DEVELOPMENTS

Our business has continued to develop subsequent to the Track Record Period and up to the Latest Practicable Date. We have achieved a technological breakthrough in the development of sorters compatible with PLP advanced packaging technology and commenced delivery of such products to customers. Leveraging this technological breakthrough, we have further strengthened our capability to penetrate existing markets and unlock new market opportunities. From January 1, 2026 to the Latest Practicable Date, we engaged 16 new customers, primarily consisting of wafer foundries and semiconductor equipment manufacturers.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms."

"Accountants' Report"	the accountants' report for the Track Record Period of our Company, the text of which is set out in Appendix I to this document
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted on May 9, 2026, which shall become effective as of the date on which the H Shares are **[REDACTED]** on the Stock Exchange, as amended from time to time, a summary of which is set out in "Appendix VI —Summary of the Articles of Association" to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Beijing GoNa"	Beijing GoNa Semiconductor Technology Co., Ltd. (北京果納半導體技術有限公司), a company established as a limited liability company in the PRC on April 3, 2026 and one of the wholly owned subsidiaries of our Company
"Board" or "Board of Directors"	the board of Directors

[REDACTED]

"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

"Chairlady"	chairlady of the Board
"China" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to "China" and the "PRC" do not apply to Hong Kong, the Macao Special Administrative Region and Taiwan Region
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company," "our Company," "the Company," "we" or "us"	Shanghai GoNa Semiconductor Technology Co., Ltd. (上海果納半導體技術股份有限公司), a company established as a limited liability company in the PRC on March 17, 2020 which was converted into a joint stock company with limited liability on December 31, 2025
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to the group of Shareholders comprising Ms. Ye, Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang, as further detailed in "Relationship with Our Controlling Shareholders"
"Conversion of Unlisted Shares into H Shares"	the conversion of **[REDACTED]** Unlisted Shares (immediately following the Share Subdivision) in aggregate held by our existing Shareholders into H Shares upon the completion of the **[REDACTED]**. Such conversion of Unlisted Shares into H Shares has been filed with the CSRC on [•] and an **[REDACTED]** for H Shares to be **[REDACTED]** on the Stock Exchange has been made
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)

[REDACTED]

"Director(s)"	the director(s) of our Company
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time
"ESG"	environmental, social and governance

[REDACTED]

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"Frost & Sullivan" or "F&S"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a professional market research and consulting company, which is an independent third party
"F&S Report"	a commissioned industry report prepared by F&S

[REDACTED]

"GoNa Catering"	GoNa Catering Management Co., Ltd. (上海果納餐飲管理有限公司), a company established as a limited liability company in the PRC on December 17, 2024 and one of the wholly owned subsidiaries of our Company
"Group"	our Company and all of our subsidiaries
"Guangdong GoNa"	Guangdong GoNa Semiconductor Technology Co., Ltd. (廣東果納半導體技術有限公司), a company established as a limited liability company in the PRC on November 15, 2024 and one of the wholly owned subsidiaries of our Company
"Guide" or "Listing Guide"	the Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time
"**[REDACTED]**"	**[REDACTED]**
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and to be **[REDACTED]** on the Stock Exchange
"H Shareholder(s)"	holder(s) of H Share(s)

[REDACTED]

"HKICPA"	the Hong Kong Institute of Certified Public Accountants

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollar(s)" or HKD" or "HK$"	Hong Kong dollars(s), the lawful currency of Hong Kong

[REDACTED]

"Huzhou GoNa"	Huzhou GoNa Semiconductor Technology Co., Ltd. (湖州果納半導體技術有限公司), a company established as a limited liability company in the PRC on December 16, 2025 and one of the wholly owned subsidiaries of our Company
"IASB"	International Accounting Standards Board

"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	Individual(s) or company(ies), who or which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

"Latest Practicable Date"	May 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

[REDACTED]

"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time
"Longshu Intelligence"	Shanghai Longshu Intelligence Technology Co., Ltd. (上海龍樞智控科技有限公司), a company established as a limited liability company in the PRC on February 6, 2026 and one of the wholly owned subsidiaries of our Company

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Ms. Ye"	Ms. Ye Ying, our executive Director, Chairlady of the Board and chief executive officer
"MYR"	Malaysian Ringgit, the lawful currency of Malaysia
"NDRC"	the National Development and Reform Commission of the State Council of the PRC (中華人民共和國國家發展和改革委員會)
"Ningbo Xilan"	Ningbo Xilan Semiconductor Technology Co., Ltd. (寧波矽藍半導體技術有限公司), a company incorporated on August 31, 2022 in the PRC and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies《(境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023

DEFINITIONS

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC GAAP"	PRC Generally Accepted Accounting Principles
"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organizations of such government or, as the context requires, any of them
"PRC Legal Advisors"	Beijing DeHeng Law Offices, our legal advisor as to PRC laws in connection with the **[REDACTED]**
"Pre-**[REDACTED]** Investment(s)"	the pre-**[REDACTED]** investment(s) in our Company, details of which are set out in "History, Development and Corporate Structure —Pre-**[REDACTED]** Investments"
"Pre-**[REDACTED]** Investor(s)"	the investor(s) of the Pre-**[REDACTED]** Investments, details of which are set out in "History, Development and Corporate Structure— Pre-**[REDACTED]** Investments"

[REDACTED]

"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Accountants"	KPMG, our reporting accountants
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong

"Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SEMI"	Semiconductor Equipment and Materials International, a global industry organization setting voluntary technical agreements between suppliers and customers in the semiconductor, flat panel display, micro-electromechanical systems, photovoltaic, and high-brightness LED industries, aiming at improving product quality and reliability at a reasonable price and steady supply
"SEMI Standards"	the technical standards set by SEMI
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Haotang"	Shanghai Haotang Management Advisory Partnership (Limited Partnership) (上海皓棠管理諮詢合夥企業（有限合夥）), a limited partnership established on June 8, 2020 in the PRC and one of our Controlling Shareholders
"Shanghai Shixin"	Shanghai Shixin Management Advisory Partnership (Limited Partnership) (上海仕芯管理諮詢合夥企業（有限合夥）), a limited partnership established on June 24, 2020 in the PRC and one of our Controlling Shareholders
"Shanghai Zhushi"	Shanghai Zhushi Management Advisory Partnership (Limited Partnership) (上海竺世管理諮詢合夥企業（有限合夥）), a limited partnership established on June 12, 2020 in the PRC and one of our Controlling Shareholders
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each upon the completion of the Share Subdivision, comprising the H Share(s) and the Unlisted Share(s)
"Shareholder(s)"	holder(s) of our Share(s)
"Share Subdivision"	the subdivision of our Shares whereby each of our Shares with par value of RMB1.00 each shall be sub-divided into 10 Shares with par value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the **[REDACTED]**, the details of which are set out in the section headed "History, Development and Corporate Structure" in this document
"Sole Sponsor"	Guotai Junan Capital Limited

[REDACTED]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules

"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar(s)" or "US$"	United States dollar(s), the lawful currency of the United States
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Unlisted Share(s)"	ordinary Share(s) issued by our Company with a nominal value of RMB0.10 each upon the completion of the Share Subdivision, which is/are not **[REDACTED]** on any stock exchange
"Waftech"	Waftech Sdn. Bhd., a company established with limited liability in Malaysia on January 12, 2007 and one of the non-wholly owned subsidiaries of our Company
"we," "us" or "our"	the Company or the Group, as the context requires
"Wuhan Nayou"	Wuhan Nayou Electronics Technology Co., Ltd. (武漢納優電子技術有限公司), a company established as a limited liability company in the PRC on October 12, 2022 and one of the wholly owned subsidiaries of our Company
"Xindao Innovation"	Xindao Innovation (Beijing) Technology Co., Ltd. (芯導創能(北京)科技有限公司), a company established as a limited liability company in the PRC on May 10, 2021 and one of the non-wholly owned subsidiaries of our Company
"Xindao Precision"	Xindao Precision (Beijing) Equipment Co., Ltd. (芯導精密(北京)設備有限公司), a company established as a limited liability company in the PRC on July 16, 2018 and one of the non-wholly owned subsidiaries of our Company
"Xindao Wuxi"	Xindao (Wuxi) Precision Equipment Co., Ltd. (芯導(無錫)精密設備有限公司), a company established as a limited liability company in the PRC on November 26, 2021 and one of the non-wholly owned subsidiaries of our Company
"Zhejiang GoNa"	Zhejiang GoNa Semiconductor Technology Co., Ltd. (浙江果納半導體技術有限公司), a company established as a limited liability company in the PRC on January 18, 2022 and one of the wholly owned subsidiaries of our Company
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

Unless the content otherwise requires, references to "2023," "2024" and "2025" in this document refers to our financial year ended December 31 of such year.

This glossary contains explanations of certain terms used in this document in connection with our Company and our business. The terminology contained in this glossary and their given meanings may not correspond to standard industry meaning or usage of these terms.

"AMHS"	automated material handling system, an intelligent semiconductor transfer system primarily comprising OHT vehicles, OHT railways, OHBs, stockers, and OLUS, along with peripheral equipment and software systems that automate the transportation, storage, and delivery of wafer carriers, improving material flow while reducing manual handling
"back-end process"	a stage in the semiconductor manufacturing where processed wafers are converted into finished chips via packaging, assembly, and testing
"Bernoulli end effector"	an end effector in semiconductor manufacturing equipment that applies the Bernoulli principle to generate a pressure differential through controlled airflow, enabling non-contact lifting, handling and transfer of wafers or substrates
"buffer"	a temporary storage area or unit within the automated handling system used to hold wafer carriers between processing steps to balance material flow and optimize equipment utilization
"carrier"	a precision-engineered container used to hold, protect, and transport silicon wafers safely between processing steps
"cassette"	a standardized container or rack designed to hold multiple semiconductor wafers in a parallel, spaced-out orientation for storage and transport between different processing steps
"chiplet"	a modular die designed to be integrated with other chiplets in a single package
"cleanroom"	a controlled environment where the concentration of airborne particles is controlled to specified limits, essential for semiconductor manufacturing
"CoWoS"	chip-on-wafer-on-substrate, an advanced 2.5D packaging technology
"die-to-wafer"	an advanced semiconductor packaging technology in which individual semiconductor dies are precisely placed and bonded onto a wafer to enable integration of device structure
"EFEM"	equipment front end module, a subsystem integrated into wafer processing tools that provides wafer loading, alignment, and transfer within a controlled micro-environment and interfaces with plant automation
"EMS"	edge management system, an integrated module within wafer handling equipment, designed to perform in-situ measurement and management of wafer edge and film uniformity parameters
"end effector"	a component attached to the end of a robotic arm in semiconductor manufacturing equipment, used to grip, handle or transfer wafers or other materials during automated processes

"E84"	a SEMI standard for communication between semiconductor manufacturing equipment, enabling non-contact data exchange and standardized handshaking and interlock functions to ensure safe and coordinated transfer of material carriers across equipment interfaces
"ferrofluidic"	a sealing technology using magnetic fluid to create a vacuum-tight rotary seal
"FOSB"	front opening shipping box, a container used for transporting wafers between different manufacturing sites
"FOUP"	front opening unified pod, a specialized plastic enclosure designed to hold wafers securely and safely in a clean environment during transport and processing
"FFUs"	fan filter units, units used in semiconductor manufacturing to supply filtered air through high-efficiency filters to maintain clean and controlled environments within equipment or enclosures
"Frame FOUP/Box"	a carrier used to store and transport frame wafers in semiconductor manufacturing
"front-end process"	a stage in the semiconductor manufacturing where the circuitry is fabricated on the wafer
"IDM"	integrated device manufacturer, a company that designs, manufactures, and sells its own semiconductor chips
"ISO Class1"	a cleanroom classification standard representing a superior level of air cleanliness with extremely low concentrations of airborne particles
"lifter"	a vertical transport mechanism used within the automated handling system to transfer OHT vehicles between the ground and the railway
"lithography"	the process of transferring circuit patterns onto a wafer surface
"load lock"	a chamber used in semiconductor manufacturing to transfer wafers between atmospheric and vacuum environments while maintaining vacuum conditions in process chambers
"loadport"	a component of the EFEM that serves as a connector between the EFEM and wafer processing tools to receive and identify wafer carriers (e.g., FOUPs or cassettes), providing a standardized interface for carriers to be loaded onto or unloaded from the equipment
"MCP"	main control processor, a software component used in semiconductor manufacturing to coordinate and optimize material handling operations, including scheduling, routing and task execution of transport vehicles within automated material handling systems
"MCS"	material control system, a software system used in semiconductor manufacturing to control and coordinate material handling operations, including task assignment, dispatching and scheduling of transport vehicles, enabling efficient movement of materials within automated material handling systems

"MES"	manufacturing execution system, a software system used in semiconductor manufacturing to manage and control production operations on the factory floor, including production scheduling, process tracking, and materials logistics coordination, and interfacing with equipment and automation systems
"MTBF"	mean time between failures, a measure of the predicted elapsed time between inherent failures of a mechanical or electronic system during normal system operation
"MTTR"	mean time to repair, a measure of how quickly a system recovers after an issue
"OCS"	open cassette systems, a wafer handling framework where wafers are stored and transported in open-air carriers, typically used in environments or process steps where fully sealed isolation is not required
"OCR"	optical character recognition, a technology used to convert printed text into machine-readable data, commonly applied for identification and tracking of wafers, carriers and materials in automated semiconductor manufacturing processes
"OHB"	an automated wafer carrier storage device installed on both sides of OHT railway for the temporary storage or transport of materials during semiconductor manufacturing
"OHT"	overhead hoist transport, a vital system of AMHS that utilizes a ceiling-mounted track network to transport wafer carriers (such as FOUPs and FOSBs) above the production floor, designed to eliminate ground-level traffic interference and enhance transport efficiency and cleanroom integrity
"OLUS"	operator load-unload station, a manual wafer loading system designed for maximum flexibility and precision that detects and verifies carrier alignment with wafer transfer equipment while featuring protective light curtains for operator security and a touch-screen interface for ease of use
"PA"	pre-aligner, a precision device that orients wafers prior to processing
"PLC"	programmable logic controller, an industrial computer used for automation control
"PLP"	panel level packaging, a semiconductor transfer equipment designed for glass substrates used in PLP, enabling high-precision, high-cleanliness and highly stable automated handling of large-size glass substrates throughout the packaging process
"process node"	a specific semiconductor manufacturing technology generation, typically defined by the minimum feature size
"PVD"	physical vapor deposition, a vacuum coating process used to deposit thin films onto wafers
"RFID"	radio frequency identification, a wireless technology used to identify and track wafer carriers and materials in semiconductor manufacturing processes

GLOSSARY OF TECHNICAL TERMS

"SECS/GEM"	SECS/GEM is the standard communication protocol for semiconductor manufacturing, providing the interface between automated equipment and the factory host system. SECS defines the communication layers and message data structures, while GEM specifies standard equipment behaviors and control functions. Together, they enable seamless automation, real-time data collection, and remote equipment control across the manufacturing environment
"semiconductor"	a material with electrical conductivity between a conductor and an insulator, used in electronic devices
"sorter"	a piece of equipment used to sort or rearrange wafers into different FOUPs according to specific requirements
"stocker"	an automated system designed to handle, sort, align, identify, and transfer wafers between cassettes or process equipment. It ensures that wafers are correctly oriented, placed in the right sequence, and mapped accurately for downstream processes
"TAIKO wafer"	a type of ultra-thin semiconductor wafer featuring a peripheral support ring structure, designed to enhance mechanical strength and handling stability during semiconductor manufacturing and transfer processes
"Uptime"	the amount of time a piece of equipment is operational and available for production during its scheduled period
"Vacuum robot"	a high-precision robot designed to operate within a vacuum environment to transfer wafers between process chambers without contamination
"Wafer"	a thin slice of semiconductor material, used in the manufacture of ICs and other microelectronic devices
"WPH"	wafer per hour, a key metric used to measure the yield or productivity of semiconductor processing equipment by the number of wafers processed within one hour
"yield"	a percentage of the total number of chips that were actually produced to the maximum chip count on one wafer. The higher the yield, the higher the productivity.

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to our Company that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- general political and economic conditions, including those related to the jurisdictions where we operate;
- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our ability to develop and manage our operations and business;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- competition for, among other things, capital, technology and skilled personnel;
- our ability to control costs;
- our dividend policy;
- changes to regulatory and operating conditions in the industry or in the world and geographical markets in which we operate; and
- all other risks and uncertainties described in the section headed "Risk Factors."

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments.

An investment in our H Shares involves significant risks. You should carefully consider all information in this document, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our industry is defined by rapid technological change and evolving market demands. Any failure to keep pace with technological innovation, changing customer demands or industry developments could adversely affect our competitiveness and business.

The semiconductor intelligent transfer system industry is characterized by fast-paced technological evolution and increasingly sophisticated customer requirements, as the semiconductor manufacturing capacity shifts toward advanced process nodes. Our future success depends on our ability to anticipate and respond to changes in industry standards, technological developments, customer preferences, and other market dynamics. However, we may not always be able to accurately predict or promptly respond to emerging technological trends or evolving industry needs or develop or adopt new or enhanced technologies in a timely manner, meet customer requirements, achieve market acceptance, or successfully commercialize technologies under development.

Faster-than-expected or unforeseen shifts in technology or market demand may shorten product lifecycles, diminish the commercial relevance of our existing products, and result in the loss of customers. In addition, rapid changes in our industry and customer demands may render our existing products less competitive or obsolete, requiring us to incur significant costs and time to upgrade or modify our technologies.

As a provider of intelligent semiconductor transfer system, we must promptly accommodate the latest wafer manufacturing technologies and upgrade our products accordingly. We must also respond swiftly to customers' evolving and customized requirements across multiple dimensions, especially compatibility with advanced semiconductor manufacturing equipment. If we fail to adapt to industry changes or customer demands, or are unable to access critical new technologies, we may lose existing customers or fail to attract new ones. A decline in demand for our products–whether due to competing technologies, shifting customer preferences, or other factors–could materially and adversely affect our business, results of operations, and future prospects.

The industry in which we operate is highly competitive. If we fail to compete effectively against other market players, our business, financial condition and results of operations may be adversely affected.

The industry in which we operate is highly competitive and characterized by continual technological advancement and evolving market trends. To maintain our competitive position and market share, we must consistently innovate our existing products and introduce new offerings that meet changing market demands. These innovations may involve enhanced technical specifications, new product models, expanded features and applications within existing models, or entirely new product categories.

The competitive landscape of our industry is continually evolving, driven by a combination of complex international and domestic factors, including the overall performance of the global semiconductor industry, international trade policies and geopolitical tensions, domestic semiconductor policy directions, and rapid technological progress. In China, the semiconductor intelligent transfer system market is experiencing intensifying competition between established international players and rapidly rising domestic manufacturers, amid national priorities promoting technological self-sufficiency.

International manufacturers leverage decades of expertise and extensive intellectual property portfolios, continuing to set industry benchmarks for high-precision and highly reliable semiconductor intelligent transfer system. At the same time, domestic manufacturers are expanding their market presence by rapidly advancing from mature technologies into more complex and higher-value segments. Their efforts aim to narrow the gap in consistency and reliability and challenge the longstanding dominance of international competitors.

Moreover, the competitive landscape of our industry is fragmented. Some competitors may have greater resources and advantages, technological and production capabilities, including longer operating histories, larger IP portfolios, broader sales and marketing networks and stronger customer relationships. If we are unable to maintain our competitive edge, we may experience declines in market share and profitability, which would adversely affect our business, financial condition and results of operations.

We depend on the growth of the semiconductor industry. Any slowdown in the growth of semiconductor industry could adversely affect our business, financial condition, and results of operations.

We derive our revenue from companies operating in the semiconductor industry. Demand for our products is closely linked to industry conditions, including the timing, scale, and execution of capacity expansion and technology-upgrade plans by semiconductor companies. Any slowdown, stagnation, or downturn in the semiconductor industry may reduce customers' demand for new equipment or result in delays, reductions, or cancelations of procurement plans, which could adversely affect our business, financial condition and results of operations.

The semiconductor industry is cyclical and subject to periodic fluctuations arising from factors including changes in end-market demand, inventory adjustments, transitions to new technologies, macroeconomic conditions, and geopolitical or regulatory developments. Historically, periods of strong industry growth have often been followed by phases of reduced investment and weakened demand. During industry downturns, our customers and their downstream customers may reduce procurement volumes, extend replacement cycles for existing equipment, seek to renegotiate pricing, defer acceptance or installation of equipment, or decrease capital expenditures. Such actions may lead to reduced revenue, lower utilization of our production capacity and increased pricing pressure.

Uncertainty regarding the semiconductor industry's growth trajectory also increases the risks associated with our product development and production planning. We may incur significant capital expenditures, research and development, engineering and manufacturing costs in anticipation of expected customer demand or industry expansion that may not materialize. If actual market demand is lower than projected, or if customers modify, postpone or cancel their expansion plans or purchase orders, we may be unable to recover such costs in a timely manner or at all. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our historical results may not be indicative of our future performance, and we may not be successful in expanding our operations or managing our growth.

We are at a critical stage of rapid growth and scaling. During the Track Record Period, our revenue increased substantially, being RMB133.3 million, RMB308.9 million and RMB521.5 million in 2023, 2024 and 2025, respectively, representing a CAGR of 97.8% from 2023 to 2025. However, there can be no assurance that we will be able to maintain our historical growth rates in the future.

As a rapidly growing company operating in a continually evolving industry, we may encounter risks and challenges typically faced by companies at a similar stage of development. Forecasts regarding our future revenue, expenses and financial performance may be less accurate than they would be if we had a longer operating history or operated in a more predictable industry environment. Our business, financial condition and results of operations depend, in part, on our ability to effectively manage our growth and implement our growth strategies. See "Business—Our Growth Strategies." Managing our expansion places significant demands on our managerial, administrative, operational, financial and other resources. In addition, our continued growth depends on our ability to maintain stable production capacity and deliver reliable products to our customers.

Our efforts to expand our business may prove more costly than anticipated, and we may not be able to increase our revenue sufficiently to offset rising operating expenses. We may incur significant losses in the future for various reasons, including the risks described in this document, unforeseen expenses, operational challenges, delays and other unexpected events. If we are unable to achieve or sustain profitability, our business could be adversely affected. Furthermore, if we fail to achieve the necessary operational efficiencies as we scale, our growth rate may decline, which could negatively impact investor perceptions of our business and prospects and adversely affect the market price of our H Shares.

If we are unable to retain our existing customers or attract new customers, our business, financial condition, and results of operations could be materially and adversely affected.

Our ability to acquire new customers in a cost-effective manner and to retain existing customers is critical to our business growth and profitability. There is no assurance that we will be able to maintain stable relationships with our existing customers, that newly acquired customers will continue to engage us, or that the net profits generated from new customers will exceed the costs associated with acquiring them.

During the Track Record Period, we generated our revenue from the provision of intelligent semiconductor transfer system to companies in the semiconductor industry. Our results of operations therefore depend heavily on the development, performance and cyclical dynamics of the industries in which our customers operate. In addition, revenue contributions from existing customers may decline significantly or fluctuate for various reasons, including dissatisfaction with the performance of our equipment, the quality of our services or maintenance support, negative publicity relating to our brand, or the availability of competing products or services. If we are unable to retain existing customers or acquire new customers in a cost-effective manner, our business, financial condition and results of operations may be adversely affected.

In 2023, 2024 and 2025, revenue derived from our five largest customers accounted for 60.1%, 84.6%, and 69.3%, respectively, of our total revenue in the same years. Revenue generated from our largest customer in each year accounted for 18.1%, 59.4%, and 39.8%, respectively. There is no assurance that customers who have contributed significant revenue in the past, individually or collectively, will continue to do so in future periods. We may lose one or more key customers as a result of intensified competition, material changes in their operations, or any deterioration in our business relationships.

The loss of, or a significant reduction in revenue generated from, one or more key customers, any reduction, delay or cancelation of orders, or a decision by key customers to procure solutions from competitors could materially and adversely affect our business, financial condition, results of operations and prospects. In addition, if any key customers fail to settle their current or future outstanding balances, our operating expenses may increase and our cash flows may be adversely affected.

We are exposed to concentration risk of reliance on our major customers.

During the Track Record Period, we generated a majority of our revenue from our major customers, primarily including semiconductor manufacturing equipment companies, IDM companies, and wafer foundries. In 2023, 2024 and 2025, revenue derived from our five largest customers accounted for 60.1%, 84.6%, and 69.3%, respectively, of our total revenue. Revenue generated from our largest customer in each year accounted for 18.1%, 59.4%, and 39.8%, respectively.

Our reliance on a limited number of major customers exposes us to customer concentration risk and counterparty risk. There is no assurance that we will be able to maintain our business relationships with these major customers or suppliers in the future. In addition, we cannot guarantee that our major customers will not undergo changes in their business scope or business models, or that they will continue to maintain their market position or reputation.

Any material adverse change in the operations, financial performance or financial condition of our major customers may negatively affect the level of business they conduct with us. For example, if any of our major customers cease or significantly reduce their purchases of our products, there is no assurance that we would be able to secure new customers with comparable demand, or at all.

Any loss of, or reduction in business from, our major customers, or our inability to replace such customers, could adversely affect our business, financial condition, results of operations and profitability.

We have been and intend to continue investing significantly in R&D, which may negatively impact our profitability and operating cash flow in the short term and may not generate the results we expect to achieve.

The semiconductor intelligent transfer system industry is characterized by rapid technological innovation and increasingly sophisticated customer requirements. To remain competitive, we must continue to allocate substantial financial and human resources to R&D. Our R&D efforts primarily focus on enhancing our intelligent semiconductor transfer system to accommodate the latest wafer-manufacturing technologies. In 2023, 2024 and 2025, our R&D expenses were RMB41.4 million, RMB59.6 million and RMB47.1 million, representing 31.0%, 19.3% and 9.0%, respectively, of our total revenue.

Continued investment in R&D may increase our operating expenses and adversely affect our profitability and operating cash flow in the short term. In addition, R&D activities are inherently uncertain and may be subject to delays, cost overruns, technical challenges or shifts in market demand. There is no assurance that our R&D efforts will result in the successful enhancement of existing products, the commercialization of new products, the achievement of anticipated performance improvements, or the timely and cost-effective completion of development projects. If we fail to anticipate technological trends, meet evolving customer requirements, or achieve acceptable returns on our R&D investments, our market position, growth prospects and financial performance could be materially and adversely affected.

Our future success depends on our ability to retain key management and R&D personnel and our ability to attract, train and retain talented personnel.

Our business and future prospects depend on the continued service and contributions of our key management and R&D personnel, who are responsible for the overall planning and execution of our operations as well as the development of new products. If any of our Directors, senior management or key R&D personnel were to cease their service or employment with us, we may experience difficulties in identifying suitable replacements within a reasonable period of time, at an acceptable cost, or at all.

Given the highly technical and specialized nature of our operations, we are required to attract, train and retain a workforce comprising highly skilled employees and other key personnel. If any of these individuals become unable or unwilling to continue their service, we may not be able to replace them promptly or effectively, which could adversely affect our operational capabilities.

Competition for experienced talent in our industry is intense. We may be required to offer higher remuneration packages or additional benefits to attract and retain the qualified personnel necessary to support our business expansion and strategic objectives. Our ability to recruit, train and integrate new employees may not keep pace with the growth of our business.

If we fail to attract, train or retain employees and other key personnel in sufficient numbers, our business, financial condition and results of operations may be materially and adversely affected. In addition, employees who depart may pose risks to us if they disclose our commercially sensitive information or know-how to third parties, which could diminish the technological advantages we have developed.

Any problem with our product quality or product performance may subject us to potential claims, legal liabilities, reputational damages and loss of revenue.

We primarily manufacture wafer transfer equipment, AMHS, and semiconductor packaging automation equipment for use in fabrication plants. Our equipment is subject to stringent performance and reliability requirements. Any defect, inconsistency or failure in product quality or performance may result in customer complaints, product returns or the termination of business relationships.

If our equipment fails to meet customer specifications or applicable industry standards, we may be exposed to claims for damages, contractual liabilities or legal proceedings. Quality issues arising in connection with the manufacturing of advanced-node wafers may give rise to heightened liability due to the critical nature of their applications. Recurring quality issues may also lead to reduced demand, loss of revenue and erosion of market share.

As we expand our production capacity and introduce additional equipment models, the complexity of our manufacturing processes is expected to increase, which may further elevate the risk of quality-related issues. Any failure to effectively manage product quality could materially and adversely affect our business, financial condition and results of operations.

Any failure to protect our intellectual property rights could undermine our competitive position and adversely affect our business prospects.

Our success depends, to a significant extent, on our ability to protect our proprietary technologies and products from competition through the obtaining, maintenance and enforcement of our intellectual property rights. We seek to protect technologies that we consider commercially important through, among other means, the filing of patent applications. However, the process of applying for and prosecuting patents can be costly and time-consuming, and we may not be able to file or pursue all necessary or desirable patent applications in a timely manner, at a reasonable cost, or at all. In addition, we may not always identify patentable aspects of our R&D work before the opportunity to obtain patent protection lapses, which may limit our ability to prevent competitors from developing and commercializing competing products.

Patents may be invalidated, and patent applications may not be granted, for various reasons, including known or unknown deficiencies in the application or a lack of novelty in the underlying invention or technology. Even if granted, such patents may offer only limited protection, may be insufficient to prevent competitors from developing or marketing competing technologies, or may not provide us with any material competitive advantage. Competitors may also design around our patents by developing similar or alternative technologies or products that do not infringe our intellectual property rights. Furthermore, although certain extensions may be available, patent protection is inherently limited in duration, and upon expiry, we may face increased competition for the relevant products.

Some competitors hold extensive patent portfolios and may allege that our products infringe their intellectual property rights, which could lead to infringement or other related proceedings. Intellectual property disputes are common in the semiconductor-related industry and may be used for competitive purposes. The hiring of employees from competitors may also expose us to risks of alleged misuse of proprietary information. Although we exercise care in managing our suppliers, we cannot assure that supplier-provided products will be free from intellectual property risks or that we will be able to recover losses arising from such claims. If any third-party infringement claims against us are successful, we may face invalidation of our patents, payment of damages, compulsory licensing, redesign requirements or injunctions, any of which could materially and adversely affect our business, financial condition and results of operations.

We may not be able to successfully implement our business development strategies, which could adversely affect our growth prospects.

We have adopted a range of business development strategies aimed at strengthening our technological capabilities, scaling up production capacity and efficiency, deepening our integration with the industrial ecosystem and strengthening our global presence. These strategies are designed to capture growth opportunities and strengthen our competitiveness and support our sustainable development. See "Business—Our Growth Strategies."

However, the expansion of our business involves inherent risks and uncertainties. Our new business initiatives are at an early stage and may require longer-than-expected development cycles, may not gain market acceptance, or may be executed without sufficient prior experience. The successful implementation of our business development strategies is subject to various factors beyond our control, including changes in market demand or industry trends, delays in new product development or technology upgrades, increased competition, supply chain disruptions, challenges in attracting and retaining qualified personnel, and changes in regulatory or policy environments. If we are unable to effectively execute our strategies or if these initiatives fail to deliver the expected benefits, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our investments and acquisitions may not realize the expected benefits.

We have made certain investments and acquisitions along the semiconductor manufacturing industry value chain. For example, we acquired 70.0% equity interest in Waftech in 2023 to support our globalization strategy. See "History, Development and Corporate—Major Acquisitions, Disposals and Mergers—Acquisition of Waftech." Such investments and acquisitions may involve certain risks and uncertainties, including but not limited to failure to achieve expected business objectives, unanticipated costs, inadequate return on investment and issues not discovered during due diligence, which may adversely affect our business, financial condition, and results of operations.

In addition, we may expand into new businesses through investments or acquisitions. Upon completion of such investment or acquisition, we may devote resources to support its business development or conduct business integration. These activities involve certain risks and uncertainties, and therefore there can be no assurance that we will be able to realize the expected benefits.

Any failure to accurately forecast demand or manage our inventories and contract costs effectively could adversely affect our business, financial condition, and results of operations.

As a provider of intelligent semiconductor transfer system, our business depends on efficient inventory management to ensure production continuity and timely delivery. During the Track Record Period, our inventories primarily consisted of raw materials and other components, work-in-progress, finished goods, and goods delivered to customers. Our contract costs primarily represent the costs we incur to carry out the contract, such as expenses for providing onsite technical services to customers. As of December 31, 2023, 2024, and 2025, our inventories and contract costs were RMB169.0 million, RMB237.5 million, and RMB289.7 million, respectively.

We are required to manage our inventory levels based on forecasts of market demand for our customers' products, taking into account the production lead times of key components and procurement and logistics cycles. As the performance of the semiconductor industry is influenced by a combination of complex international and domestic factors, we may face challenges in forecasting demand and aligning our procurement cycles. Our increased inventory levels driven by our expanded business scale may increase our exposure to inventory risk. There is no assurance that our inventory levels will consistently align with customer demand. In addition, risks associated with prolonged inspection and acceptance processes following product delivery may create challenges for our operating cash flow. During the Track Record Period, our inventories and contract costs turnover days were recorded at 579 days, 341 days and 263 days in 2023, 2024 and 2025, respectively.

Excess inventory may lead to increased storage costs, reduced turnover and a higher risk of obsolescence and write-offs. Conversely, underestimating demand or supplier delays may result in inventory shortages, missed delivery schedules and potential loss of customer trust. Either scenario could materially and adversely impact our business, financial condition and results of operations.

Any failure to provide high-quality maintenance and support services for our customers may damage our relationships with them and, consequently, our business.

We believe that the availability of high-quality after-sales services is an important factor influencing customers' purchasing decisions. As our operations and customer base continue to expand, we must be able to provide customer support that meets our clients' needs at scale. However, we cannot assure you that we will be able to respond promptly to short-term increases in customer demand for technical support or maintenance services. In addition, we may not be able to refine or adapt the scope and delivery of our maintenance services or technical support in a timely manner to address changes in the after-sales service offerings of our competitors.

We face potential operational and safety risks in our production.

We face various potential operational and safety risks in our production, including but not limited to: (i) natural disasters (such as fires, floods, earthquakes, typhoons and other disasters), (ii) social and labor unrest, environmental incidents or public health emergencies, (iii) disruption of utility supplies such as water, electricity, gas and telecom, and (iv) production accidents or interruptions due to operational errors, equipment breakdowns or improper management.

Such risks may result in damages to, or destruction of, manufacturing facilities, personal injury or death, environmental damages, economic loss and legal liabilities. The occurrence of any of these events could result in the interruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

Any interruption to our operations may result in our inability to design and manufacture products as required by our customers and our inability to fulfill customers' orders in a timely manner or at all. This may result in financial loss and damages to our reputation, which will adversely affect our business, financial condition, and results of operations.

We maintain limited insurance coverage, which may not be sufficient to cover potential liabilities, losses or business risks, and any claims beyond such coverage could adversely affect our business.

We maintain insurance policies as required under the laws and administrative regulations in the jurisdictions where we operate, as well as based on our assessment of our operational needs and prevailing industry practices. However, our business is exposed to a variety of risks, and our existing coverage may be insufficient in scope or amount, or in some cases, entirely unavailable. Insurance companies in the PRC and Malaysia do not always offer comprehensive insurance products that address all operational risks we face. As a result, certain material risks, such as those relating to production, delivery and sales, or extended supply chain disruptions, may remain uninsured even if we wish to obtain coverage.

As of the Latest Practicable Date, we had not maintained product liability insurance, and do not carry any business interruption or litigation insurance. We cannot guarantee that a product liability claim or other litigation will not be brought against us in the future, or that we will be able to purchase product liability insurance or other related insurance on acceptable terms.

Moreover, even for risks that are insured, our coverage may be subject to deductibles, exclusions, limits, or disputes with insurers over policy interpretation, which could result in partial or delayed recovery. There is no assurance that our insurance will be sufficient to cover all potential losses or that we will be able to obtain additional coverage in the future on terms acceptable to us.

Any damage to, or failure to maintain and enhance, our brand and reputation could adversely affect our business and competitive position.

Our brand image and corporate reputation are important to our competitiveness and growth. Various factors, including product quality, the effectiveness of our marketing, the management of business partner relationships, the handling of complaints and negative publicity, may adversely affect our brand if not properly managed. Any actual or perceived decline in product quality or any negative publicity could lead to the loss of key customers or increased regulatory scrutiny.

Promoting our brand may require additional expenses, and there is no assurance that such investments will be effective or generate returns that justify the cost. If we are unable to strengthen or protect our brand image and corporate reputation, we may face difficulties in retaining or expanding our customer base, and our business and growth prospects may be adversely affected.

Any failure or perceived failure to comply with data privacy and security laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure and other processing of data, could subject us to potential liabilities.

In the course of our operations, we collect and store business, operational, and transaction data arising from our dealings with customers, suppliers, and other counterparties, and are therefore subject to applicable laws and regulations relating to data protection and information security in China and Malaysia. See "Regulatory Overview—Regulations on Cybersecurity, Data Security and Protection of Personal Information" and "—Regulations on Data Protection and Anti-Money Laundering," and "Business—Data Security and Privacy." These laws and regulations impose stringent requirements on the collection, use, storage, retention, transfer, disclosure and other processing of data, and may require us to adopt specific technical and organizational measures to protect such data.

Any improper handling of data or information security incidents, such as unauthorized access to our database, could result in reputational damage and civil or regulatory liabilities, which may have material legal, financial, and operational consequences. Any allegation of non-compliance, whether substantiated or not, could damage our reputation and customer trust, which could in turn materially and adversely affect our business, financial condition and results of operations. We may face cybersecurity risks and evolving data security regulatory requirements, and any failure to address such risks or comply with applicable laws could adversely affect our business.

Disruptions and delays in local and global supply chains and logistics could have a material and adverse impact on our business operations.

We rely on the timely supply of raw materials and other components to carry out our manufacturing plans as scheduled. Any delays or disruptions in supplies from our suppliers may have a material and adverse impact on our ability to meet the market demands and our marketing and sale of our products.

In addition, any disasters or unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could disrupt our transportation channels and impair the operations of our suppliers, and impede our ability to manufacture and deliver our products to customers in a timely manner.

Any disruption or delay in our production or in the delivery of our products and services could adversely affect our ability to produce sufficient quantities of products and to meet customer demand. In such circumstances, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our selected property interest as of April 30, 2026 prepared by AVISTA Valuation Advisory Limited, an independent property valuer, are set forth in the valuation report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

We face uncertainties and risks in overseas manufacturing and operations.

Beyond China, we have a manufacturing base in Malaysia. We may continue to maintain our overseas manufacturing base mainly for semiconductor packaging automation equipment in the future. For details, see "Business—Manufacturing—Our Manufacturing Bases." The construction and operations in relation to our overseas manufacturing base are subject to various risks and uncertainties, including but not limited to:

- political and economic instabilities, including changes in government policies or regulations affecting foreign investments, economic fluctuations and currency volatility, geopolitical tensions or conflicts impacting business operations;
- lack of familiarity with local laws, regulatory requirements and industry standards;
- potential differences in environmental, construction and other standards between Malaysia and Chinese mainland;
- lack of familiarity with local operating and market conditions;
- operational constraints imposed by local labor union systems and potentially more stringent labor protection regulations;
- risk of legal proceedings in Malaysia;
- potential failure to achieve the expected returns from investing in overseas manufacturing base;

- potential difficulties in managing relationships with foreign customers;
- difficulties in enforcing agreements and collecting overdue receivables under local legal systems;
- difficulties and costs of staffing and managing overseas operations;
- challenges due to differences in social environment, culture and languages;
- difficulties in managing relationships with local communities and potential disputes with them; and
- other obstacles and risks related to overseas manufacturing and operations.

As a multinational company, our success depends, in part, on our ability to manage these risks. The abovementioned risks vary from country to country and may be difficult to predict. We may not be able to develop and implement initiatives that address these risks effectively, and there can be no assurance that risks we may face as we expand our overseas manufacturing and operations will not adversely affect our reputation, business, results of operations, financial condition and the use of **[REDACTED]** from the **[REDACTED]**.

Our compliance, risk management and internal control systems may not be sufficient to protect us from credit, market, liquidity, operation and other risks.

We seek to improve and update our risk management and internal control systems on a regular basis. See "Business—Risk Management and Internal Control" for details. However, there is no assurance that they will be effective in safeguarding our risk management and internal control functions and fulfilling their purposes by ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. Since our risk management and internal control systems depend on effective implementation by our employees, and even though we provide relevant internal trainings in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from error or mistakes.

In addition, given our growing global business operations, we must comply with the legal and regulatory requirements in different jurisdictions. The policies we have put in place to prevent direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, breaches of sanctions, fraud, deception, tax evasion and other criminal or improper conduct may be insufficient to prevent such non-compliance.

Further, there can be no assurance that our employees will not engage in misconduct or omissions that could materially and adversely affect our business, financial condition, or results of operations. In addition, although we maintain strict standards in selecting our business partners, there is no assurance that they will not engage in misconduct or omissions. Any such misconduct by our business partners may affect our operations and reputation, which may in turn adversely impact our business, financial condition, and results of operations.

The occurrence of any of these risks may result in reputational damage and materially adverse legal consequences, including, without limitation, the suspension or revocation of licenses relevant to our business operations, the loss of qualifications of our management or employees, and the imposition of fines, sanctions, or penalties on us or our management or employees. These events could also lead to third-party claims for damages or other detrimental legal consequences, including civil or criminal penalties.

We may be involved in administrative and legal proceedings and commercial disputes, which could materially affect our business, financial condition, and results of operations.

We may be subject to administrative or legal proceedings or commercial disputes from time to time in the ordinary course of our business, which could have a material adverse effect on our business, financial condition, and results of operations. Claims arising out of actual or alleged violations of law could be asserted against us by our customers, our competitors, governmental entities in civil or criminal investigations and proceedings, or other entities.

These claims could be asserted under a variety of laws, including but not limited to product liability laws, intellectual property laws, labor and employment laws, securities laws, tort laws, contract laws, property laws, and employee benefit laws.

There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming, and ultimately futile.

These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief, and criminal, civil, and administrative fines and penalties.

We are subject to anti-corruption, anti-bribery, sanctions and similar laws, and noncompliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses.

We are subject to anti-corruption, anti-bribery, sanctions and similar laws in the jurisdictions where we and our business partners operate, which generally prohibit companies and their employees, agents and affiliates from offering or accepting bribes, engaging in corrupt practices, or conducting business with certain sanctioned parties or jurisdictions. Despite our efforts to implement and maintain compliance programs, we cannot assure you that our internal controls, policies and procedures will always be sufficient or effective. Any failure by our directors, officers, employees or business partners to comply with these laws could expose us to enforcement actions, fines, penalties or sanctions, as well as reputational damage, which could materially and adversely affect our business, financial condition and results of operations.

Any failure to effectively manage or expand our production capacity or utilize our production bases could adversely affect our competitiveness and business.

Our future success and growth potential are dependent on our ability to effectively manage, upgrade and increase our production capacity, either generally or with respect to demand from customers for particular products. To successfully upgrade our production capability and expand production capacity, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities, maintain and purchase production equipment, and hire and train professionals necessary to operate such facilities or equipment.

All these efforts may be affected by several factors including, but not limited to, the following:

- availability of working capital for constructing facilities or purchasing equipment;
- delays in completion of construction and shortages or delays in the delivery of equipment;
- difficulties or delays which may arise in installing the equipment; and
- implementation of new production processes.

During the Track Record Period, the utilization rates of our different production bases varied. Our Shanghai manufacturing base had relatively high utilization rates of over 80.0%, while our Haining manufacturing base and Malaysia manufacturing base recorded fluctuating utilization rates. Maintaining an optimal level of capacity utilization is critical to our cost structure and business success. If we are unable to expand capacity in a timely manner or at a reasonable cost, or if we overestimate market demand and expand too aggressively, we may face low-capacity utilization, reduced profitability and increased depreciation and other fixed costs. Conversely, if we underestimate demand or fail to bring new capacity online as planned, we may be unable to fulfill customer orders, which could result in loss of sales and damage to customer relationships.

Our production capacity construction plan may also be subject to interruptions caused by risks commonly associated with large construction projects, such as failure to obtain requisite approvals from regulatory authorities, adverse weather conditions, natural disasters, accidents and unforeseen circumstances and problems, and other factors beyond our control.

In addition, if we do not receive sufficient orders from our customers to effectively utilize our production bases, we may be subject to low utilization rates of production capacity or over-capacity for our production bases, which may hurt our profitability and results of operations. Furthermore, if market demand declines in the future, we may not be able to recoup the costs incurred for construction of any new production bases or expansion of any existing facilities and maintenance of expanded production capacity.

An increase in prices of raw materials and other components or shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers.

We depend on third-party suppliers to provide a variety of raw materials and other components necessary for the manufacturing of our products. Our raw materials and other component costs recorded in cost of sales amounted to RMB68.9 million, RMB168.9 million and RMB276.5 million, respectively, in 2023, 2024 and 2025, representing 70.6%, 77.7% and 75.8% of our total cost of sales for the respective years. Our production costs depend on our ability to source key raw materials and other components at competitive prices and to manage our design, R&D, production planning, procurement and manufacturing processes effectively. However, the raw materials and other components we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation and governmental regulations and policies. We typically place orders with our suppliers as and when needed. We have adopted comprehensive policies and measures to manage the price fluctuations of raw materials and other components. See "Business—Our Suppliers—Supply Chain Management—Procurement of Raw Material and Other Components."

Any shortages or delay in the supply of our raw materials and other components could result in occasional price adjustments or cause delays in our production and delivery to customers. We may in the future experience price fluctuations and supply shortages of certain raw materials and other components, and the predictability of the availability and pricing of these raw materials and other components may be limited. If we are unable to keep up with demand for our products because of failing to obtain the materials needed to successfully manufacture and deliver our products in a timely manner or if we are unable to pass on any increase in the costs of raw materials and other components to our customers, our business could be materially impaired, and market acceptance for our products could be adversely affected.

Failure to detect or prevent fraud or other misconduct by our employees, customers, suppliers or other third parties could adversely affect our business, financial condition, and results of operations.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties, which could subject us to liabilities, fines and other penalties imposed by government authorities and negative publicity. Such misconduct could include:

- concealing unauthorized or unlawful activities, such as money laundering, offering bribes to, or receiving bribes from counterparties in return for any type of benefit or gain;
- intentionally concealing material facts or failing to perform necessary due diligence procedures;
- improperly using or disclosing confidential information or trade secrets;
- misappropriating funds or engaging in theft of assets;
- violations of applicable laws or regulations relating to import-export controls, lobbying or similar activities;
- failure to comply with regulatory requirements relating to environmental, health or safety matters;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- or otherwise failing to comply with applicable laws or our internal policies and procedures.

Our internal control procedures are designed to monitor our operations and ensure overall compliance. However, such internal control procedures may be unable to identify all instances of non-compliance or suspicious transactions in a timely manner, or at all. Furthermore, the precautions we take to detect and prevent fraud and other misconduct may not be effective. There is no assurance that we will not be involved in fraud or other misconduct in the future.

Any illegal, fraudulent, corrupt or collusive activity by our employees, customers, suppliers or other third parties, including those in violation of anti-corruption or anti-bribery laws, could subject us to negative publicity that could severely damage our brand and reputation. If conducted by our employees, it could further subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities or result in loss of current and future customer contracts. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties could materially and adversely affect our reputation and business.

Grants under our share incentive plans may increase equity-settled share-based payment expenses, potentially adversely affecting our financial performance.

As talented management and employees are critical to driving our long-term technological breakthroughs and market success, we have established share incentive plans to grant shares to certain employees and external consultants in recognition of their contribution to our success. We believe the granting of compensation is crucial to our ability to attract and retain key personnel, employees and external consultants. In 2023, 2024 and 2025, we incurred equity-settled share-based payment expenses of RMB17.4 million, RMB3.2 million and RMB2.4 million, respectively. We may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, or other key terms applicable to the grants under the share incentive plan from time to time. If we choose to do so, we may experience a substantial change in our share-based payment expenses in the reporting periods following this **[REDACTED]**. In addition, the issuance of equity pursuant to share-based incentive plans may result in immediate and potentially significant dilution to our existing shareholders and could adversely affect the trading price of our H Shares.

Downturns or volatility in general economic conditions could have a material adverse effect on our business, financial condition, results of operations, and liquidity.

Our sales and profitability depend significantly on general economic conditions and the demand for the end products in the markets in which our customers compete. Weaknesses in the economy and financial markets can lead to lower demand in our target product groups. Economic uncertainty affects businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. A decline in end-user demand can affect the demand of the customers for our products, and the tightening of credit in financial markets may lead consumers and businesses to postpone spending, either of which may cause our customers to cancel, decrease or delay their existing and future orders with us.

We may not accurately assess the impact of changing market and economic conditions on our business and operations. Any adverse changes in economic conditions, including any recession, economic slowdown or disruption of credit markets, may also lead to lower demand for our products. In addition, financial difficulties experienced by our suppliers or distributors could result in product delays, increased accounts receivable defaults and inventory challenges. All these factors related to global economic conditions, which are beyond our control, could adversely impact our business, financial condition, results of operations, and liquidity.

We may be the subject of unfair competition, harassing, or other detrimental conduct by third parties including complaints to regulatory authorities, negative social media postings, and the public dissemination of malicious statements related to us that could harm our reputation and cause us to lose market share, customers and revenue.

We may be the subject of unfair competition, harassing, or other detrimental conduct by third parties. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. The occurrence of any of these events may harm our reputation, and in turn may cause us to lose customers and revenue.

Our operations depend on IT systems and networks, and any failures, disruptions, or cybersecurity breaches could compromise the confidentiality of our proprietary information and result in legal, regulatory, and business consequences.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. If these systems malfunction, cease or experience interruptions in normal operations, experience security breaches or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have an adverse impact on our operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors. We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecom failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or other events. We have business continuity and disaster recovery ability, which may not be sufficient for managing operational disruptions resulting from circumstances beyond our control.

Our IT systems may be subject to computer viruses, malicious codes, unauthorized access, phishing and other cyberattacks. We continue to assess potential threats and adopt proper measures to address these threats. However, because the techniques used in these cyberattacks change frequently and may be difficult to detect for periods of time, we may face difficulties in implementing adequate preventative measures. To date, there have been no material impact on our business or operations from these attacks. However, we cannot guarantee that our efforts will prevent attacks or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly and we do not effectively address these failures in a timely manner, we may be subject to operational risks, litigation, and regulatory actions, including administrative fines, that could materially and adversely affect our business and financial condition.

Our business, financial condition, and results of operations may be adversely affected by international trade policies, export controls, economic sanctions, and geopolitical factors.

Our business operations and supply chain may be affected by changes in international trade policies, export control regulations, economic sanctions, geopolitical tensions, and trade protection measures. The U.S. government has imposed economic and trade sanctions directly or indirectly affecting China-based companies, notably through the Export Administration Regulations, administered by the Bureau of Industry and Security of the U.S. Department of Commerce. These regulations impose extraterritorial restrictions and may affect non-U.S. entities if their activities involve a U.S. nexus. The U.S. has also, through executive orders, passing of legislation or other governmental means, implemented economic sanctions targeting specific countries, sectors, entities or individuals.

International trade restrictions are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security concerns or driven by political and/or other factors that are beyond our control. We cannot assure you that regulators will not take the position that our past, current or future activities globally constitute sanctionable activities or business. Such trade regulations could impact our ability to supply customers of affected countries, territories and entities and could restrict our ability to obtain components and technologies we incorporate in or use to develop our products and services.

Our business and ability to raise capital may be adversely affected by U.S. outbound investment restrictions and evolving regulatory requirements.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern, which became effective on January 2, 2025, to implement the Outbound Investment Security Program ("**OISP**") established by Executive Order 14105. The OISP restricts direct and indirect investment by U.S. persons (as defined under the OISP) into "covered foreign persons," i.e., companies with specified connections to China that develop specific technologies of concern, including semiconductors, quantum computing and AI. The OISP is subject to changes in light of the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which codifies and expands the OISP and provides it with independent statutory authority for a minimum period of seven years. While the Treasury is expected to amend the OISP to align with the requirements of the COINS Act by spring 2027, the existing OISP framework will remain in effect. Our Directors are of the view that the Company is not a "covered foreign person," because we do not develop or produce front-end semiconductor fabrication equipment or equipment for performing volume advanced packaging, and we do not design, fabricate, or package any kind of integrated circuit. Accordingly, U.S. persons are not subject to any notification requirements or restrictions related to their potential investments into the Company. In addition, publicly traded securities fall under an exception from the OISP and the COINS Act is expected to clarify and expand this exception.

We cannot predict how the U.S. outbound investment regulatory landscape will develop, nor can we guarantee that there will not be an expansion in the scope of existing restrictions, a broadening of their interpretation, or the enactment of similar laws or regulations that impinge upon our business activities. Uncertainty surrounding the interpretation and enforcement of these rules may dampen U.S. investor interest in our equity securities, potentially adversely affecting the trading price and liquidity of our H Shares. These evolving rules may also restrict our ability to engage in certain research activities, invest in or maintain investments in China, or raise capital from U.S. and other sources. Any future changes to the rules or to our business could further limit our fundraising activities, and ongoing developments in foreign investment regimes across jurisdictions may adversely impact our strategic initiatives, financial performance and growth prospects.

Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks.

Our business is subject to certain PRC laws and regulations relating to environmental, safety and occupational health matters. Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. While we have conducted periodic inspections of our operating facilities and carried out equipment maintenance on a regular basis to ensure that our operations are in compliance with applicable laws and regulations, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our production process in the future.

Our production process produces pollutants such as wastewater, liquid waste, and solid waste. The discharge of wastewater and other pollutants from our manufacturing operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. We cannot assure you that all situations that will give rise to material environmental liabilities will be discovered or that any environmental laws adopted in the future will not materially increase our operating costs and other expenses. Should the PRC impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures and/or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition and results of operations.

In addition, we are subject to various ESG rules and regulations by governing bodies, including the Stock Exchange and the SFC once we become a public company, as well as regulatory authorities in China. We must also adapt to new and evolving regulatory measures under applicable laws and changing social trends concerning ESG risks. Investors are increasingly focused on ESG issues and tend to incorporate ESG performance into their investment decisions, while customers are becoming more environmentally conscious, preferring products with green and environmentally friendly design and production. For details, see "Business—Environmental, Social and Corporate Governance." Our efforts to comply with new and changing laws, regulations and social trends may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities, which may adversely affect our business, financial condition, and results of operations.

RISKS RELATING TO FINANCIAL, ACCOUNTING AND TAX MATTERS

We have historically incurred net losses and may not be able to achieve or maintain profitability in the future.

During the Track Record Period, we incurred loss for the year of RMB81.8 million, RMB63.6 million and RMB12.7 million in 2023, 2024 and 2025, respectively, primarily as a result of changes in carrying amount of ordinary shares with redemption rights. Finance costs arising from changes in the carrying amount of ordinary shares with redemption rights amounted to RMB16.4 million, RMB20.2 million and RMB22.9 million in 2023, 2024, and 2025, respectively. Our adjusted profit/(loss) for the year (non-IFRS measure), which is defined as loss for the year adjusted by adding back changes in the carrying amount of ordinary shares with redemption rights, equity-settled share-based payment expenses and **[REDACTED]** expenses, amounted to a loss of RMB48.1 million and RMB40.2 million in 2023 and 2024, respectively, and a profit of RMB13.8 million in 2025.

Changes in the carrying amount of ordinary shares with redemption rights were a non-cash item. As of December 31, 2023, 2024 and 2025, we had ordinary shares with redemption rights of RMB284.4 million, RMB304.6 million and RMB427.4 million, respectively. We expect that our ordinary shares with redemption rights will be reclassified from liabilities to equity, because all preferential rights of the ordinary shares with redemption rights will terminate upon **[REDACTED]** and the relevant redemption liabilities will be re-classified to equity.

Our overall profitability fluctuated during the Track Record Period. Although our adjusted loss for the year (non-IFRS measure) decreased from RMB48.1 million in 2023 to RMB40.2 million in 2024 and turned into an adjusted profit for the year (non-IFRS measure) of RMB13.8 million in 2025, we cannot assure you that we will achieve profitability after the **[REDACTED]**. Our cost of sales or operating expenses may increase in the future as we intend to expand our business operations. In addition, subsequent to the **[REDACTED]**, we may incur additional compliance, accounting, and other expenses that we did not necessarily need to incur as a private company. If our revenue does not grow at a greater rate than our costs or expenses, we may not be able to achieve and maintain profitability. In addition, we may incur considerable losses in the future for various reasons, many of which may be beyond our control. If we fail to achieve, sustain or increase profitability, our business and results of operations could be adversely affected. See "Financial Information—Working Capital Sufficiency."

We had net current liabilities and net liabilities during the Track Record Period.

Our net current liabilities and net liabilities throughout the Track Record Period predominantly reflected the accounting effects of the ordinary shares with redemption rights on our consolidated statements of financial position. As of December 31, 2023, 2024 and 2025, our net current liabilities were RMB246.5 million, RMB307.3 million and RMB370.4 million, and our net liabilities were RMB119.8 million, RMB178.4 million and RMB168.0 million, respectively. As of December 31, 2023, 2024 and 2025, the balance of our ordinary shares with redemption rights were RMB284.4 million, RMB304.6 million and RMB427.4 million, respectively. Aside from ordinary shares with redemption rights, our net current liabilities position during the Track Record Period was also the result of an increase in our trade and other payables as a result of our increased business scale and our interest-bearing borrowings to fund our expansion. See "Financial Information—Liquidity and Capital Resources—Net Current Asset."

The preferential rights of ordinary shares with redemption rights will terminate upon **[REDACTED]** and such instruments will be re-classified to equity. Therefore, we do not expect to recognize any further changes in the carrying amount of liabilities recognized for ordinary shares with redemption rights subsequent to the **[REDACTED]**. However, there can be no assurance that we will not have liquidity problems in the future. A net current liabilities position or net liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financing from external sources such as equity financing, which could result in dilution of your equity interests, or debt financing, which may not be available on terms favorable or commercially reasonable to us, or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations, and prospects.

We had negative cash flow from operating activities and may be subject to liquidity risks, which could constrain our operational flexibility and working capital sufficiency and materially and adversely affect our business, financial condition, and results of operations.

We had net cash used in operating activities of RMB76.3 million and RMB25.3 million in 2023 and 2024, and net cash generated from operating activities of RMB1.0 million in 2025, and may experience operating cash outflows in the future. Our operating cash outflow was primarily due to our frontloaded expenses to support our rapid business growth. Although we seek to manage our working capital, we cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. As a result, we cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as **[REDACTED]** and **[REDACTED]** securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. Thus, our business, financial condition, and results of operations may be materially and adversely affected.

Any discontinuation of preferential tax treatments, government grants or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

We benefited from preferential tax treatment and government grants during the Track Record Period. Certain group entities were accredited as High and New Technology Enterprises and were entitled to a preferential tax rate of 15% from 2022. We were also entitled to gain from input VAT deduction in Chinese mainland and various government grants during the Track Record Period. See "Financial Information—Results of Operations—Other Net Income." In addition, during the Track Record Period, we had gain from input VAT deduction in Chinese mainland and government grants of RMB2.2 million, RMB9.2 million and RMB6.2 million in 2023, 2024 and 2025, respectively. These grants mainly represent the government subsidies that we received to compensate our R&D expenditures. However, we cannot assure you that we will continue to receive and benefit from such preferential treatment or government grants in the future. If we are unable to continue to benefit from preferential tax treatment or government grants, or if such incentives are reduced, canceled or not renewed, our financial condition, results of operations, and cash flows could be affected.

We may get exposed to credit risks arising from our trade receivables, and any failure to collect them in a timely manner could adversely affect our financial condition and results of operations.

Our trade receivables primarily include amounts due from our customers for products in the ordinary course of business. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB38.4 million, RMB90.8 million and RMB139.7 million, respectively. The credit period granted to our customers was generally 30 to 90 days during the Track Record Period. See "Financial Information—Discussion of Selected Items from Consolidated Statements of Financial Position—Inventories and Contract Costs."

We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. Our customers may face unexpected circumstances. Our trade receivables turnover days were 75 days in 2023, 76 days in 2024 and 80 days in 2025. We may not be able to receive such customers' payment of uncollected debts in full, or at all, and may be exposed to credit risk. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

Failure to fulfil our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities are recognized when payment from a customer is received or is due (whichever is earlier) before we transfer the related goods or services. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB30.8 million, RMB79.7 million and RMB79.1 million, respectively. If we are not able to fulfil our obligations with respect to our contract liabilities, the amount of such contract liabilities will not be recognized as revenue.

We may need to raise additional capital in the future to execute our business plan, but may not be able to obtain financing on favorable terms, or at all.

We may need additional capital in the future to fund our continued operations, and we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including investors in this **[REDACTED]**, will be diluted, and the terms of these securities may include liquidation preferences that adversely affect our Shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

Fluctuations in exchange rates could result in foreign currency exchange losses, materially affecting our revenue, cost of sales, and your investment.

A substantial portion of our revenue and cost of sales is denominated in Renminbi. However, as we also operate a part of our business in certain countries and regions outside of Chinese mainland, and have certain debts and cash denominated in foreign currencies, we are exposed to risks associated with foreign currency exchange fluctuations.

Changes in the foreign exchange rates could affect the results of our overseas operations. Our revenue generated outside Chinese mainland amounted to RMB4.8 million, RMB15.9 million and RMB44.5 million in 2023, 2024 and 2025, respectively, accounting for 3.6%, 5.2% and 8.5% of our total revenue for the same years, respectively. Certain of our income from overseas sales and payments for raw materials and other components is denominated in foreign currencies.

It is difficult for us to predict how external factors may impact the exchange rate of Renminbi to the U.S. dollar or other foreign currencies in the future. Further appreciation of Renminbi against foreign currencies may affect our overseas operations. On the other hand, if we decide to convert our RMB into Hong Kong dollars for dividends payment on our H Shares or for other business purposes, any depreciation of Renminbi against the Hong Kong dollar would have a negative effect on the value of, and any dividends payable on, our H Shares.

We may record impairments of non-financial assets.

We may record impairments of non-financial assets, which may adversely affect our financial condition and results of operations. As of December 31, 2023, 2024 and 2025, our inventories and contract costs, property, plant and equipment, right-of-use assets, intangible assets and goodwill amounted to RMB349.5 million, RMB473.3 million and RMB602.5 million, respectively. Goodwill, intangible assets with indefinite useful life and intangible assets with those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset' s carrying amount may not be recoverable. We measure impairment by comparing the carrying value of the asset to the recoverable amount of such asset, which is the greater of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of such asset, we recognize an impairment loss based on the recoverable amount of such asset. The application of impairment test to our non-financial assets also requires management judgment regarding such assets. Given the rapid technological evolution in the semiconductor equipment industry, if our technologies become obsolete or fail to achieve expected commercial results, we may be required to record significant impairment charges on our intangible assets or fixed assets.

RISKS RELATING TO THE LEGAL AND REGULATORY REQUIREMENTS

We are subject to the risks of doing business globally.

We operate manufacturing bases in China and Malaysia and sell our products to customers in multiple countries overseas. Revenue generated outside Chinese mainland (based on the location where we deliver products or provide services) accounted for 3.6%, 5.2% and 8.5% of our total revenue in 2023, 2024 and 2025, respectively. As a result, our business is exposed to risks inherent in operating across multiple jurisdictions. These risks could adversely affect our business and financial performance due to a range of factors. Such factors include shifts in the political, cultural, or economic environment of the countries or regions in which we operate, as well as unanticipated changes in, or failure to comply with, applicable local laws and regulations. Our operations may also be affected by inconsistencies between national and local regulatory requirements within a given jurisdiction, challenges in enforcing contractual provisions under local legal frameworks, and inadequate intellectual property protections in certain markets. In addition, we are subject to obligations under anti-corruption and anti-bribery legislation, as well as trade-protection measures and export control requirements. Our financial results may further be impacted by local tax regimes, royalties, and other fiscal obligations payable to local governments, potentially adverse tax consequences, and material fluctuations in local currency exchange rates.

Overseas operations are subject to a number of risks, including but not limited to:

- foreign exchange control and exchange rate fluctuation;
- political and economic instability, and international terrorism;
- global or regional health crises, such as health epidemics and outbreaks;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- laws and business practices favoring local competition;
- increased risk in managing inventory;
- increased risk in collecting trade receivables;
- less effective protection of intellectual property;
- difficulties and costs of staffing and managing foreign operations; and
- changes in local tax, import and export laws and tariffs and customs duty laws in the enforcement, application or interpretation of such laws.

The occurrence of any of these risks could materially and adversely impact our overseas expansion and consequently our business, financial condition, and results of operations. We expect to continue to be subject to these risks as we conduct our business internationally.

Developments in social and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

We operate in the PRC and Malaysia and therefore our business, financial condition, results of operations and prospects may be affected by various local economic, social and legal policies. We cannot guarantee that our business operations will be able to benefit from such measures. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various laws, regulations and regulatory standards and any inability to comply with such requirements and standards may subject us to liabilities.

We are subject to various laws and regulations in the PRC and Malaysia and are required to obtain and renew various permits, licenses, certificates, consents and other approvals from administrative authorities.

Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial and may delay the commencement of, or cause interruptions to, our operations. Non-compliance with the laws and regulations applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, among other things. Such events could impact our results of operations and financial condition.

Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and aboard. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to personal information of our employees. We are subject to laws relating to the collection, use, retention, protection and transfer of personal information domestically and aboard. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information between us and our overseas subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities.

We have implemented systems and processes intended to secure our information technology systems and prevent unauthorized access to or loss of sensitive data, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other noncompliant incidents.

We are subject to the social insurance and housing provident fund regulations in China.

Under PRC laws and regulations, we are required to make contributions for the social insurance and housing provident funds for the benefit of our employees. During the Track Record Period and up to the Latest Practicable Date, we did not make full contributions to the relevant social insurance and housing provident funds for certain employees in some of our PRC subsidiaries, primarily because most of the affected employees were migrant workers who preferred lower contributions to retain higher disposable income. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities if we fail to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees. If we are subject to investigations for noncompliance with labor laws and are required to make additional contributions to social insurance and housing provident funds, as well as pay late fees and fines, our labor costs could increase. Any such increase could adversely affect our business, results of operations, financial condition, and prospects.

The shortfall of our social insurance and housing provident funds amounted to approximately nil, RMB0.4 million, and RMB1.6 million in 2023, 2024 and 2025, respectively. See "Business—Employees."

We are subject to certain risks in relation to our leased or rented properties, which may result in disruptions to our operations and give rise to relocation costs.

We primarily lease or rent properties as our headquarters, office and manufacturing premises. We have not registered certain lease agreements for our leased properties with the relevant PRC government authorities as required by PRC law, which may subject us to potential fines. In addition, the land on which our two rented properties in Penang, Malaysia are situated is subject to restrictions on interest, and the landlords have not yet obtained the final approval from the the State Authority of Penang to rent the properties.

As of the Latest Practicable Date, we had six unregistered leased properties in China, including factory premises, office premises and apartments. The apartments are provided to employees as part of their employee benefits. Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local land and real estate administration bureau. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify within the prescribed time period after receiving notices from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements.

In Malaysia, we have rented two properties used for business operations as manufacturing and office premises, and the land on which the properties are situated is subject to restrictions on interest, requiring the landlords to obtain the approval from the State Authority of Penang for such tenancies. As of the Latest Practicable Date, the landlords had not obtained the final approval from the State Authority of Penang. There is no assurance that such final approval will be obtained. In the event that such approval is not obtained, or if the State Authority of Penang imposes any conditions or administrative actions in connection with the absence of such approval, our continued use and occupancy of the two rented properties may be affected, and we may need to identify alternative premises for our operations, which could expose us to the risk of relocation and associated additional costs. Any of the foregoing could have an adverse effect on our business and results of operations.

See "Business—Properties—Leased/Rented Properties."

We are subject to certain regulatory requirements over foreign currency conversion and remittance.

We receive a majority of payments from our operations in Chinese mainland in Renminbi and may need to convert certain Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of Chinese mainland, among other things. The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of Chinese mainland are subject to related regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations.

Under current foreign exchange regulations of Chinese mainland, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. However, prior registration and other procedures with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of Chinese mainland to pay capital expenses. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of Chinese mainland. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and other components outside of Chinese mainland or otherwise fund any future business activities that are conducted in foreign currencies.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of Chinese mainland with "de facto management bodies" located in Chinese mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the "**Circular 82**"), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within Chinese mainland as major controlling shareholders under the laws of foreign countries (regions) will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within Chinese mainland; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in Chinese mainland; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within Chinese mainland; and (iv) at least half of the directors with voting rights or senior management reside within Chinese mainland. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our Chinese mainland subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends" received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas [REDACTED] issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (which came into effect on March 31, 2023) and relevant supporting guidelines (the "**Overseas Listing Trial Measures**"). The Overseas Listing Trial Measures are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("**PRC domestic companies**") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Trial Measures lay out the arrangements for regulatory filings for both direct and indirect overseas offerings and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Trial Measures stipulate that such issuer shall fulfill the filing procedures within three working days after it makes an **[REDACTED]** for **[REDACTED]** and **[REDACTED]** in an overseas stock market.

According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to **[REDACTED]** and **[REDACTED]** securities in overseas markets, are required to fulfill the filing procedure with the CSRC within three working days after submitting the **[REDACTED]** documents to the overseas supervisory authorities and report relevant information. For details, see "Regulatory Overview—Regulations on Securities and Overseas Listings" in this document.

The Overseas Listing Trial Measures may subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Trial Measures on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our securities to **[REDACTED]**, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

We are a PRC tax resident and we are subject to PRC tax on our global income, and dividends payable to foreign [REDACTED] and gains on the sale of our H Shares may be subject to withholding tax under PRC tax laws and dividends payable to [REDACTED] and gains on the sale of our H Shares by [REDACTED] are subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the Individual Income Tax Law of the PRC and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》)(Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises **[REDACTED]** on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your **[REDACTED]** in our H Shares.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this **[REDACTED]** or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the **[REDACTED]** from the **[REDACTED]** into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

It may be difficult to effect service of process upon us, our directors or our executive officers that reside in the PRC or to enforce against them or us in the PRC with any judgments obtained from non-PRC courts.

We are a company incorporated under the laws of the PRC and substantially all of our business, assets and operations are located in China. In addition, the majority of our Directors and executive officers reside in China, and substantially all of the assets of such Directors and executive officers are located in China. As a result, it may not be possible for you to directly effect service of process upon us or such Directors or executive officers who reside in China, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Pursuant to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) effective on January 29, 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in China or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made.

We could be subject to changes in tax rates, the adoption of new local or international tax legislation, or exposure to additional tax liabilities.

The PRC Enterprise Income Tax (EIT) Law imposes a tax rate of 25% on PRC resident business enterprises. Certain group entities were entitled to preferential corporate income tax rate of 15% during the Track Record Period, as we were approved as high-tech enterprises. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with Chinese mainland tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to Chinese mainland tax laws and regulations and tax penalties or fines could affect our businesses, financial condition, and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment and legal framework can vary significantly across jurisdictions and that regulations regarding various taxes, including but not limited to corporate income tax and import duties, are highly complex, our overseas operations and expansion may expose us to risks associated with overseas tax laws, regulations and policies. Additionally, as we sell our robotic solutions to various non-domestic markets, the intricacies of import duty regulations can lead to disputes when exporting products, as interpretations and applications of such rules may differ between countries. In such cases, we will be subject to fines or other penalties. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results, and cash flows could be adversely affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit, for which the PRC laws do not specify the applicable accounting principles. Distributable profit is our profit as determined under PRC GAAP or IFRS Accounting Standards, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. According to the Company Law of the PRC, after making up losses and appropriation of statutory reserves, we may distribute after-tax profits.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which may significantly affect the amount of capital available to support the development and growth of our business.

Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

The foreign exchange regulations may limit our business and results of operations and our ability to remit dividends.

Conversion and remittance of foreign currencies are subject to the foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. For example, under the Chinese current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected and could subject us to administrative penalties and fines.

Differences embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

The legal systems of the two geographic markets where we operate vary significantly. China has a civil law system based on written statutes and Malaysia's is based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of China and Malaysia are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses still needs further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards, which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Developments in current laws or regulations or the imposition of new laws and regulations in our geographic markets may affect the growth of our industries and affect our business, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for the H Shares and an active trading market for the H Shares may not develop or be sustained.

Prior to the **[REDACTED]**, no public market for the H Shares existed. We cannot assure you that an active trading market for the H Shares will develop or be sustained after the **[REDACTED]**. The **[REDACTED]** for the Shares is expected to be fixed by the **[REDACTED]**, and may not be indicative of the market price of the H Shares following the completion of the **[REDACTED]**. If an active trading market for the H Shares does not develop or is not sustained after the **[REDACTED]**, the market price and liquidity of Shares could be materially and adversely affected.

The [REDACTED] volume and selling price of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who purchase our H Shares in the [REDACTED].

The **[REDACTED]** volume and price of our H Shares may be highly volatile and could fluctuate widely in response to factors beyond our control. Factors impacting the price and **[REDACTED]** volume of our H Shares include, but are not limited to, actual or anticipated fluctuations in our revenue, earnings and cash flow, changes in our pricing policy as a result of competition, potential strategic alliances or acquisitions, the addition or departure of key personnel, changes in ratings by financial analysts and credit rating agencies, fluctuations in the selling prices and demand for our products, public perception or negative news about our products, unexpected business disruptions resulting from natural disasters or power shortages, our inability to obtain or maintain regulatory approval for our operations, litigation, government investigation or other legal or regulatory proceeding, or political, economic, financial and social developments in China, Hong Kong and elsewhere in the world. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially adversely affect the selling price of our H Shares. Moreover, shares of other companies **[REDACTED]** on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which will negatively impact the market price of H Shares.

According to the stipulations by the CSRC and the Articles of Association, all of our Unlisted Shares may be converted into H Shares, and such converted Shares may be **[REDACTED]** or **[REDACTED]** on an overseas stock exchange. Any **[REDACTED]** or **[REDACTED]** of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchanges. However, the PRC Company Law provides that in relation to the **[REDACTED]** of a company, the shares of that company which are issued prior to the **[REDACTED]** shall not be transferred within one year from the date of the **[REDACTED]**. Therefore, shares currently held on our Unlisted Shares register may be traded, after the conversion, in the form of H Shares on the Stock Exchange after one year of the **[REDACTED]**, which could further increase the supply of our H Shares in the market and could negatively impact the market price of our H Shares.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We cannot assure you when, whether and in what form or size we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under IFRS Accounting Standards (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable laws and regulations in Chinese mainland, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

Certain facts, forecasts and statistics obtained from official government sources in this document may not be fully reliable.

Certain facts, forecasts and statistics in this document in and outside China are obtained from official government publications that have not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, any of their respective directors, employees, agents or advisors, or any other person or party involved in the **[REDACTED]**, and no representation is given as to its accuracy. However, we cannot guarantee the quality or reliability of these sources. Neither we, the Sole Sponsor, the **[REDACTED]**, nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain **[REDACTED]** information and other matters.

The words "anticipate," "believe," "estimate," "predict," "could," "aim," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and should not rely on any information contained in press articles or other media in making [REDACTED] decisions with respect to our H Shares.

Prior to the publication of this document, there may have been press and media coverage regarding us and the **[REDACTED]**, which may include certain information not contained in this document. We have not authorized the disclosure of any such information in the press or other media. We make no representation as to the appropriateness, accuracy, completeness or reliability of such information, and disclaim responsibility for such information. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it. Accordingly, prospective **[REDACTED]** are cautioned to make their **[REDACTED]** decisions with respect to our H Shares on the basis of the information contained in this document only and should not rely on any other information. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document.

In preparation for the **[REDACTED]**, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, a new applicant applying for a primary **[REDACTED]** on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Our management, business operations and assets are primarily located outside Hong Kong. Our executive Directors are based in the PRC as our Board believes it would be more effective and efficient for our executive Directors to be based in a location where our significant operations are located.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that the Company implements the following arrangements:

(a) the Company has appointed and will continue to maintain two authorized representatives (the "**Authorized Representatives**"), namely Dr. Gao Huixia ("**Dr. Gao**") and Ms. Lee Lai Wah ("**Ms. Lee**"), who will act as the Company's principal communication channel with the Stock Exchange. Each of the Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and email. As and when the Stock Exchange wishes to contact the Directors on any matters, each of the Authorized Representatives will have means to contact all of the Directors promptly at all times. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives.

(b) the Company has provided the contact details of each Director (such as mobile phone numbers, office phone numbers and email addresses) to each of the Authorized Representatives and to the Stock Exchange. This will ensure that the Authorized Representatives and the Stock Exchange will have the means to contact any of the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are traveling. The Company confirms and will ensure that all Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time when required.

(c) the Company has appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**"), pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will have access at all times to the Authorized Representatives, Directors and senior management of the Company, and will act as an additional channel of communication between the Stock Exchange and the Company for the period commencing on the **[REDACTED]** and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the **[REDACTED]**. The Compliance Advisor will maintain constant contact with the Authorized Representatives, Directors and senior management of the Company through various means, including regular meetings and telephone discussions whenever necessary. The Authorized Representatives, Directors and other officers will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules.

JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that the issuer must appoint as its company secretary an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that in assessing "relevant experience", the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles he played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants provides that the Stock Exchange will consider waiver applications in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the applicant has principal business activities primarily outside Hong Kong;

(b) whether the applicant is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the proposed company secretary to be suitable to act as the applicant's company secretary.

The Company has appointed Dr. Gao and Ms. Lee as the joint company secretaries of the Company (the "**Joint Company Secretary(ies)**") to jointly discharge the duties and responsibilities of our company secretaries with reference to their work experience and qualifications.

Dr. Gao currently serves as an executive Director, the head of legal affairs and intellectual property and secretary to our Board. Further biographical details of Dr. Gao are set out in "Directors and Senior Management". Although Dr. Gao does not possess the qualifications set out in Rule 3.28 of the Listing Rules, the Company has appointed her as one of the Joint Company Secretaries due to her extensive experience in business management and corporate governance matters, as well as a thorough understanding of the daily operations and internal administration of the Group accumulated since her joining the Group in July 2021. Ms. Lee has been appointed as the other Joint Company Secretary in May 2026 to assist Dr. Gao in discharging the duties of our company secretary. Ms. Lee is a Chartered Secretary, a Chartered Governance Professional, a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Listing Rules to act as a Joint Company Secretary. Further biographical details of Ms. Lee are set out in "Directors and Senior Management".

The Directors believe that the Joint Company Secretaries should, apart from being able to meet the professional qualifications or the relevant experience (the "**Relevant Experience**", unless otherwise defined, within the meaning of Note 2 to Rule 3.28 of the Listing Rules), have sufficient knowledge about (a) the operation and business environment of the Company; and (b) regulatory requirements in the PRC which are applicable to the Company.

Since Dr. Gao does not possess the Relevant Experience, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Lee may be appointed as a joint company secretary of the Company. Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be granted for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the Company appoints a person who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules as a joint company secretary to assist the proposed company secretary in discharging his functions as a joint company secretary and in gaining the Relevant Experience; and

(b) the waiver will be revoked immediately if the person who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules so appointed as a joint company secretary ceases to provide assistance to the proposed company secretary, or if there are material breaches of the Listing Rules by the Company.

The following arrangements have been, or will be, put in place to assist Dr. Gao in acquiring the qualifications and experience required under Rule 3.28 of the Listing Rules:

(a) Ms. Lee will work closely with Dr. Gao to jointly discharge the duties and responsibilities as the Joint Company Secretaries and to assist Dr. Gao to acquire the Relevant Experience for an initial period of three years from the **[REDACTED]**, a period which should be sufficient for Dr. Gao to acquire the Relevant Experience;

(b) the Company will ensure that Dr. Gao and Ms. Lee have access to relevant training, support and advice from the Compliance Advisor (appointed pursuant to Rule 3A.19 of the Listing Rules) and the Company's legal and professional advisors, who can provide professional guidance to the Company and the Joint Company Secretaries as to compliance with the Listing Rules and all other applicable laws and regulations; and

(c) before the end of the three-year period, the qualifications and experience of Dr. Gao and the need for on-going assistance of Ms. Lee will be further evaluated by the Company. The Company will demonstrate to the Stock Exchange and seek the Stock Exchange's confirmation that Dr. Gao, having had the benefit of Ms. Lee's assistance during the three year period, has attained the Relevant Experience and is capable of discharging the functions of company secretary under Rule 3.28 of the Listing Rules so that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary. The Company understands that the waiver will be revoked immediately if Ms. Lee ceases to provide assistance to Dr. Gao as a joint company secretary during the three-year period or where there are material breaches of the Listing Rules by the Company.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Ms. Ye Ying	Room 1, 16/F, Building 28 Alley 99, Haiji 1st Road Nanhui New Town Pudong New Area Shanghai PRC	American
Mr. Gong Liguang	Room 1401, Building 2 No. 180, Liangxiu Road Pudong New Area Shanghai PRC	American
Dr. Gao Huixia (高慧霞)	Room 101, Building 12 No. 236, Xiali Road Pudong New Area Shanghai PRC	Chinese
Non-executive Directors		
Ms. Zhang Qian (張倩)	Flat F, Floor 17 Block T1, Harbour Green 8 Sham Mong Road Tai Kok Tsui Kowloon Hong Kong	Chinese (Hong Kong)
Mr. Zhang Tong (張彤)	Unit 7-605, Building 1 Shuiduizi Beili Chaoyang District Beijing PRC	Chinese
Mr. Stephen Jin	Room 1, 16/F, Building 28 Alley 99, Haiji 1st Road Nanhui New Town Pudong New Area Shanghai PRC	American

Name	Address	Nationality
Independent Non-executive Directors		
Mr. Ni Weixin (倪偉新)	Room 3201, Unit 2, Building 26 No. 28, Anli Road Chaoyang District Beijing PRC	Chinese
Dr. Huang Jiandong (黃建冬)	376-2 West District of Napa Valley No. 9 Limiao Road Canglong Island Development Zone Jiangxia District Wuhan Hubei PRC	Chinese
Mr. Li Kwok Tai James (李國泰)	22E Hove Court, Perth Garden 5-9 Perth Street, Ho Man Tin Kowloon Hong Kong	Chinese (Hong Kong)

For further details on our Directors and other senior management members, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Guotai Junan Capital Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Central
Hong Kong

[REDACTED]

Legal Advisors to our Company

As to Hong Kong law:

Norton Rose Fulbright Hong Kong
38th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

	As to PRC law: **Beijing DeHeng Law Offices** 12/F, Tower B Focus Place 19 Finance Street Xicheng District Beijing PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Han Kun Law Offices LLP** Rooms 4301-10 43/F, Gloucester Tower The Landmark 15 Queen's Road Central Central Hong Kong *As to PRC law:* **Tian Yuan Law Firm** Suite 509, Tower A Corporate Square 35 Financial Street Xicheng District Beijing PRC
Reporting Accountants and Auditor	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 Nanjing West Road Jing'an District Shanghai PRC

Property Valuer	**AVISTA Valuation Advisory Limited** Suites 2401-06, 24/F Everbright Centre 108 Gloucester Road Wan Chai Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	1/F, 2/F and 4/F Building 1 Alley 100, No. 1–11 Boyi Road Lin-gang Special Area China (Shanghai) Pilot Free Trade Zone Shanghai PRC
Headquarters and Principal Place of Business in the PRC	1/F, 2/F and 4/F Building 1 Alley 100, No. 1–11 Boyi Road Lin-gang Special Area China (Shanghai) Pilot Free Trade Zone Shanghai PRC
Principal Place of Business in Hong Kong	19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.gona-semi.com** (*The information contained on this website does not form part of this document*)
Joint Company Secretaries	**Dr. Gao Huixia** 1/F, 2/F and 4/F Building 1 Alley 100, No. 1–11 Boyi Road Lin-gang Special Area China (Shanghai) Pilot Free Trade Zone Shanghai PRC **Ms. Lee Lai Wah (李麗華)** (*Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*) Room 1928, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Dr. Gao Huixia** 1/F, 2/F and 4/F Building 1 Alley 100, No. 1–11 Boyi Road Lin-gang Special Area China (Shanghai) Pilot Free Trade Zone Shanghai PRC

	Ms. Lee Lai Wah (李麗華) Room 1928, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. Li Kwok Tai James (李國泰) (*Chairperson*) Mr. Ni Weixin (倪偉新) Dr. Huang Jiandong (黃建冬)
Nomination Committee	Ms. Ye Ying (*Chairperson*) Mr. Ni Weixin (倪偉新) Dr. Huang Jiandong (黃建冬)
Remuneration and Appraisal Committee	Mr. Ni Weixin (倪偉新) (*Chairperson*) Ms. Ye Ying Dr. Huang Jiandong (黃建冬)
Compliance Advisor	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong

[REDACTED]

Principal Banks	**Bank of China Co., Ltd. Shanghai Pilot Free Trade Zone Branch** No. 823 West Huanhu First Road Lin-gang Special Area Shanghai Pilot Free Trade Zone PRC
	Bank of Communications Co., Ltd. Shanghai Pilot Free Trade Zone Branch Unit 03 of Floor 1, Floor 2, Building 3 (Lin-gang Lujiazui Plaza, Building A3) Alley 158, Zishan Road Lin-gang Special Area Shanghai Pilot Free Trade Zone PRC

The information and statistics presented in this section and other sections of this document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this **[REDACTED]**. *The information from official government sources has not been independently verified by us, the Sole Sponsor, the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *the* **[REDACTED]**, *any of their respective directors and advisers, or any other persons or parties involved in the* **[REDACTED]**, *and no representation is given as to its accuracy.*

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on China's intelligent semiconductor transfer system industry for the use in this document, which was commissioned by us for a fee of RMB700,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) China's government policies on intelligent semiconductor transfer system industry will remain consistent during the forecast period, (iii) China's intelligent semiconductor transfer system industry will be driven by the factors which are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

Definition and Classification of Intelligent Semiconductor Transfer System Industry

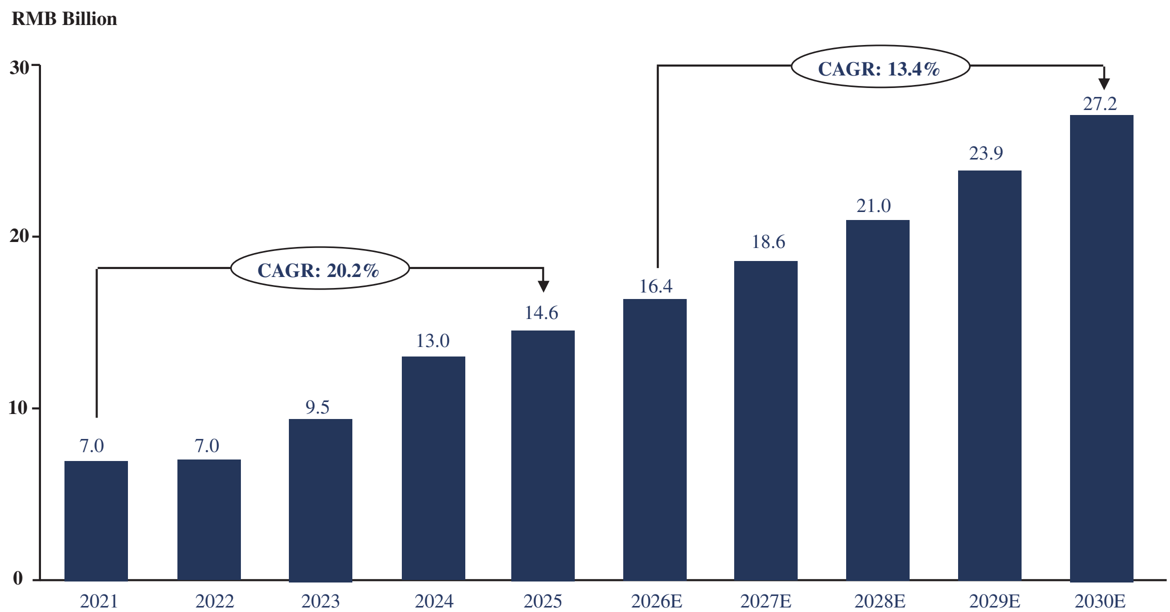
Intelligent semiconductor transfer system is integrated automation system that, throughout the entire semiconductor manufacturing process, enables efficient, clean, and intelligent material flow from the wafer foundries floor to equipment-level micro-environments. The system is not limited to the physical transport of materials, it also ensure the stability and efficiency of the manufacturing process and provide comprehensive automation infrastructure critical to overall production efficiency and quality. According to application scenarios and transport hierarchy, intelligent semiconductor transfer system is mainly divided into wafer transfer equipment and automated material handling system (AMHS).

Market Size of Intelligent Semiconductor Transfer System Market

China's intelligent semiconductor transfer system market expanded rapidly from 2021 to 2025, driven by accelerated 12-inch wafer foundries construction, continued fab-level automation and digital transformation, and rising requirements for production efficiency, contamination control, and logistics stability. Market size increased from RMB7.0 billion in 2021 to RMB14.6 billion in 2025, implying a CAGR of 20.2%. Growth was primarily supported by the concentrated ramp-up of newly built wafer foundries, which released strong demand for end-to-end automated material handling and wafer transfer solutions, alongside the ongoing adoption of advanced automation technologies that accelerated market penetration and system upgrade cycles.

As China's semiconductor manufacturing capacity shifts toward advanced process nodes, the industry is transitioning from greenfield capacity build-out to a phase of sustained expansion combined with structural efficiency enhancement. Accordingly, demand for intelligent transfer system is expected to extend beyond new wafer foundries construction to include capacity expansion projects, brownfield retrofits, and intelligent operation and maintenance upgrades of existing wafer foundries. At the same time, broader adoption of intelligent technologies, such as AI-enabled production scheduling, real-time equipment condition monitoring, and predictive maintenance, is expected to further strengthen system value propositions and support continued market growth. As a result, from 2026 to 2030, China's intelligent semiconductor transfer system market is projected to grow at a CAGR of approximately 13.4%, expanding from RMB16.4 billion in 2026 to RMB27.2 billion by 2030.

Market Size of Intelligent Semiconductor Transfer System (by revenue), China, 2021-2030E

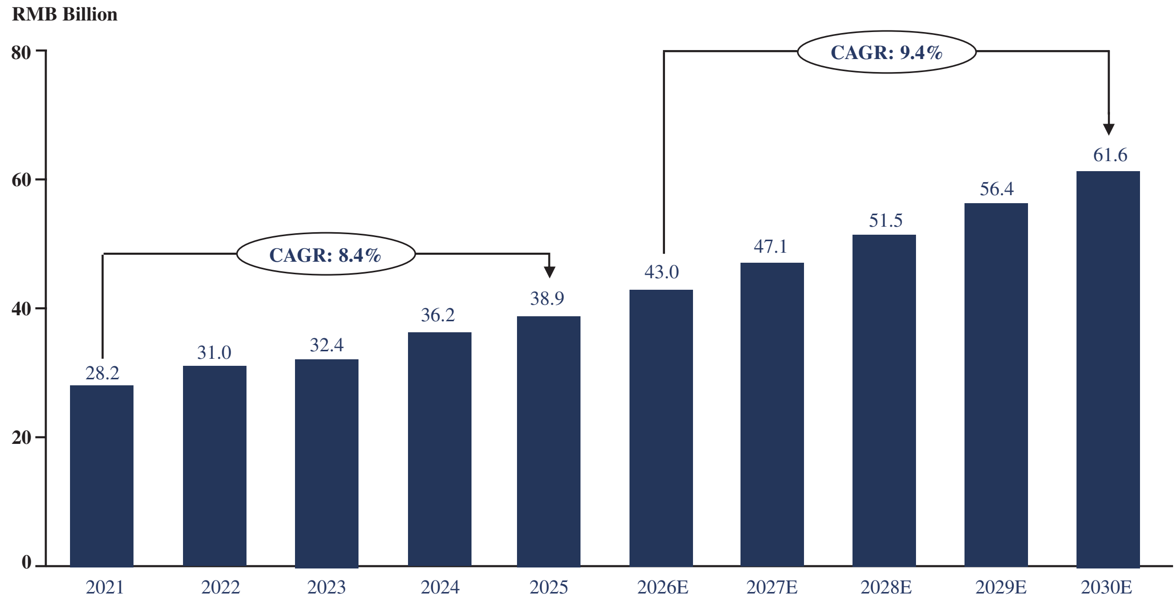


Source: Frost & Sullivan

Driven by the continued global expansion of wafer fabrication capacity, increasingly stringent requirements for cleanliness and production takt time at advanced process nodes, and the accelerating implementation of digitalized and intelligent wafer foundries management, the global intelligent semiconductor transfer system market recorded solid growth between 2021 and 2025. Market size increased from RMB28.2 billion in 2021 to RMB38.9 billion in 2025, representing a CAGR of 8.4%. Growth during this period was primarily driven by rising demand from newly built and expanded 12-inch wafer foundries for higher levels of automation and stronger system-level integration, which supported deeper deployment of intelligent transfer system within fab-level logistics and production scheduling frameworks.

Looking ahead, as intelligent technologies such as AI are increasingly applied to production scheduling optimization, equipment condition monitoring, and predictive maintenance, the value contribution of intelligent transfer system is expected to further increase, while also unlocking automation upgrade demand from existing wafer foundries. From 2026 to 2030, the global intelligent semiconductor transfer system market is projected to grow at a CAGR of 9.4%, expanding from RMB43.0 billion in 2026 to RMB61.6 billion by 2030.

Market Size of Intelligent Semiconductor Transfer System (by revenue), Global, 2021-2030E

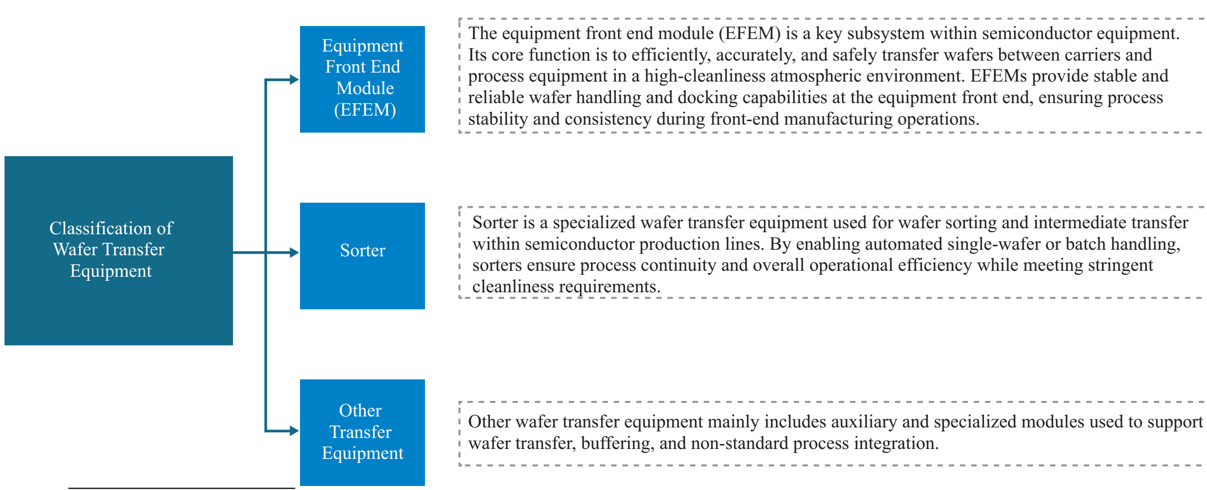


Source: Frost & Sullivan

Definition and Classification of Wafer Transfer Equipment Industry

Wafer transfer equipment refers to automated systems used in semiconductor manufacturing processes to transfer wafers with high precision under controlled cleanroom environments. Such equipment is not limited to a single process step, but rather focuses on logistics automation, process continuity, and operational safety at the front end of manufacturing, serving as foundational equipment that connects various process equipment and inspection equipment. From a functional perspective, wafer transfer equipment mainly includes equipment front end modules (EFEMs), sorters, and other transfer equipment.

Classification of Wafer Transfer Equipment

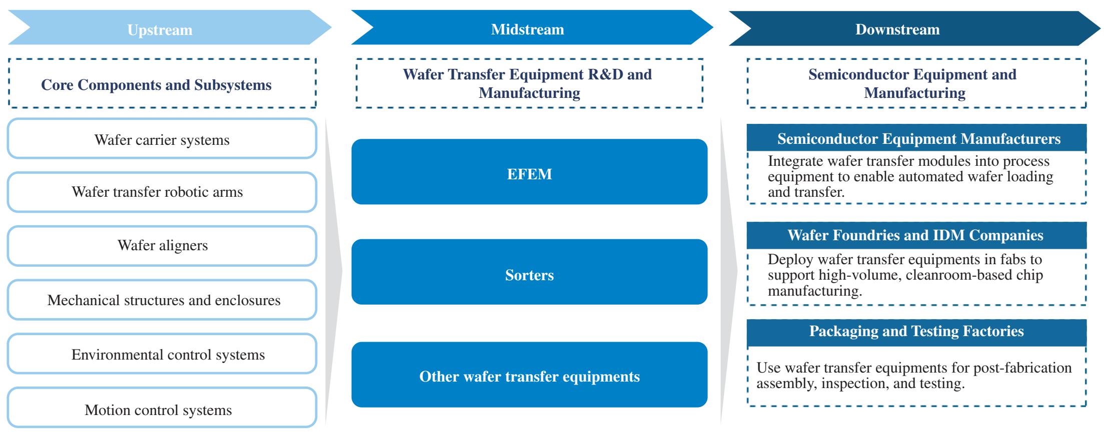


Source: Frost & Sullivan

Value Chain of Wafer Transfer Equipment Industry

Upstream participants in the wafer transfer equipment industry chain primarily include suppliers of core components and subsystems, covering key execution components such as wafer carrier systems and robotic arms, as well as supporting systems including motion control and environmental control. Midstream players focus on the R&D and manufacturing of wafer transfer equipment, with business models centered on the integration of various transfer modules and system solutions. Downstream, wafer transfer solutions are deployed across semiconductor manufacturing scenarios, mainly serving the system integration needs of semiconductor equipment manufacturers, as well as the actual production lines of wafer foundries and IDM companies and packaging and testing factories.

Value Chain of Wafer Transfer Equipment Industry



Source: Frost & Sullivan

Market Size of Wafer Transfer Equipment Market

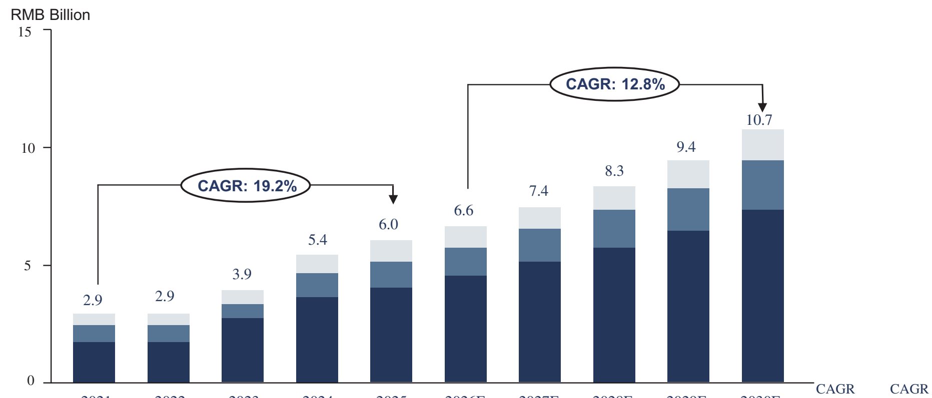
From 2021 to 2025, China's wafer transfer equipment market experienced rapid growth, driven by domestic wafer foundries capacity expansion, the accelerated localization and import substitution of semiconductor equipment, and the continued release of front-end manufacturing investments. Market size increased from RMB2.9 billion in 2021 to RMB6.0 billion in 2025, representing a CAGR of 19.2%. Growth during this period was primarily supported by the accelerated build-out of 12-inch production lines and rising penetration of wafer transfer equipment in newly constructed wafer foundries.

From 2026 to 2030, the market is expected to maintain solid but moderating growth as capacity development transitions from concentrated expansion to sustained optimization. Under this backdrop, China's wafer transfer equipment market is projected to grow from RMB6.6 billion in 2026 to RMB10.7 billion in 2030, implying a CAGR of 12.8%. Growth momentum will increasingly come from advanced process node adoption and automation upgrades of existing production lines.

After an initial period of rapid expansion, the EFEM market is entering a more stable growth phase. EFEM market size increased from RMB1.7 billion in 2021 to RMB4.0 billion in 2025, corresponding to a CAGR of 23.6%. It is expected to grow from RMB4.5 billion in 2026 to RMB7.3 billion in 2030, with a CAGR of 12.9%, primarily benefiting from rising demand for front-end equipment such as etching, thin-film deposition, and metrology tools.

The sorter market has expanded steadily, increasing from RMB0.7 billion in 2021 to RMB1.1 billion in 2025, at a CAGR of 12.2%. Market size is projected to grow from RMB1.2 billion in 2026 to RMB2.1 billion in 2030, implying a CAGR of 15.4%. Growth is mainly driven by increasing wafer foundries requirements for wafer sorting, buffering, and production line flexibility, with sorters continuing to serve as a stable and essential component within the overall wafer transfer equipment ecosystem.

Market Size of Wafer Transfer Equipment (by revenue), China, 2021-2030E



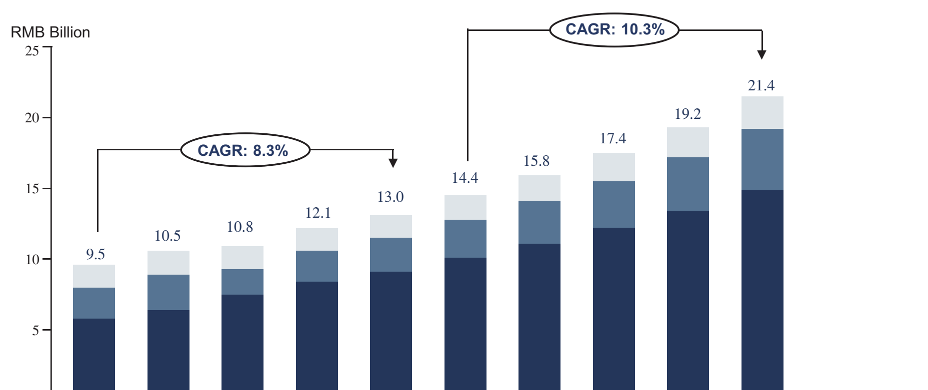
	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
EFEM	1.7	1.7	2.7	3.6	4.0	4.5	5.1	5.7	6.4	7.3	23.6%	12.9%
Sorter	0.7	0.7	0.6	1.0	1.1	1.2	1.4	1.6	1.8	2.1	12.2%	15.4%
Others	0.5	0.5	0.6	0.8	0.9	0.9	0.9	1.0	1.2	1.3	11.8%	8.6%

Source: Frost & Sullivan

From 2021 to 2025, the global wafer transfer equipment market recorded steady growth, supported by continued expansion of global wafer fabrication capacity, sustained front-end manufacturing capital expenditures, and increasing penetration of wafer automation solutions in newly built and expanded 12-inch production lines. Market size increased from RMB9.5 billion in 2021 to RMB13.0 billion in 2025, representing a CAGR of 8.3%. Growth during this period was driven by rising demand for automated wafer handling and logistics solutions, as wafer foundries pursued higher throughput, stricter contamination control, and more stable production performance.

From 2026 to 2030, as global capacity additions gradually shift from rapid greenfield construction to ongoing optimization and incremental expansion, the market is expected to enter a more moderate but sustainable growth phase. The global wafer transfer equipment market is projected to expand from RMB14.4 billion in 2026 to RMB21.4 billion by 2030, implying a CAGR of 10.3%. Future growth is expected to be supported by the continued rollout of advanced process nodes, rising automation requirements, and ongoing upgrades of existing wafer foundries aimed at improving efficiency, reliability, and overall fab-level automation.

Market Size of Wafer Transfer Equipment (by revenue), Global, 2021-2030E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	CAGR 21-25	CAGR 26E-30E
EFEM	5.7	6.3	7.4	8.3	9.0	10.0	11.0	12.1	13.3	14.8	12.1%	10.4%
Sorter	2.2	2.5	1.8	2.2	2.4	2.7	3.0	3.3	3.8	4.3	1.8%	12.8%
Others	1.6	1.7	1.6	1.6	1.6	1.7	1.8	2.0	2.1	2.3	1.5%	6.2%

Source: Frost & Sullivan

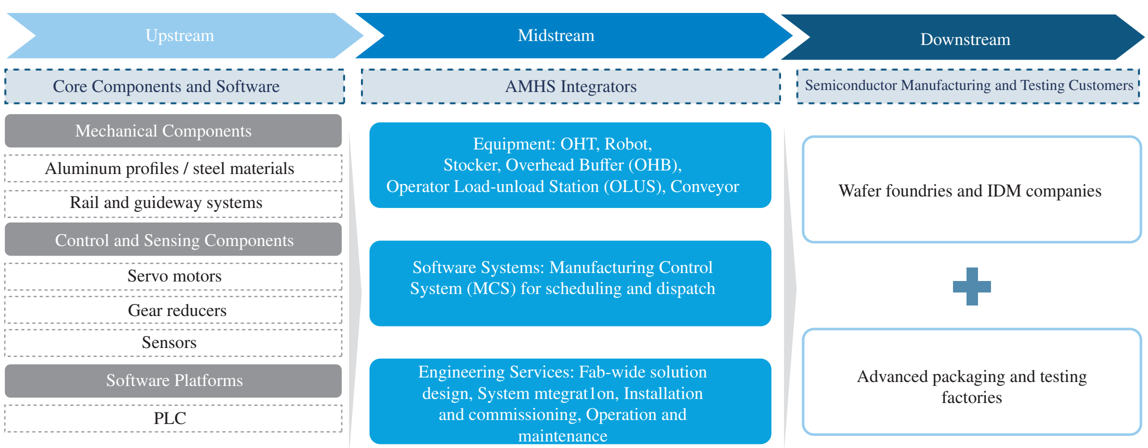
Definition and Classification of AMHS Industry

AMHS is foundational infrastructure for wafer logistics at the wafer foundries or floor level. By integrating transport carriers, rail networks, storage equipment, and centralized control software, AMHS enable high-throughput, fully automated wafer transport across the entire wafer foundries. AMHS effectively reduces manual intervention and significantly improve cleanroom logistics efficiency.

Value Chain of AMHS Industry

The upstream segment of the AMHS industry includes suppliers of mechanical foundations such as aluminum profiles and rail systems; control and sensing components including servo motors, reducers, and sensors; as well as software and control platforms such as programmable logic controller (PLC). Midstream players are primarily AMHS integrators, responsible for the manufacturing and system-level integration of core equipment including overhead hoist transport (OHT) systems, robots, stockers, and conveyors, as well as the development and deployment of manufacturing control systems for scheduling and dispatch. Downstream applications are mainly in semiconductor manufacturing and advanced packaging and testing factories.

Value Chain of AMHS Industry



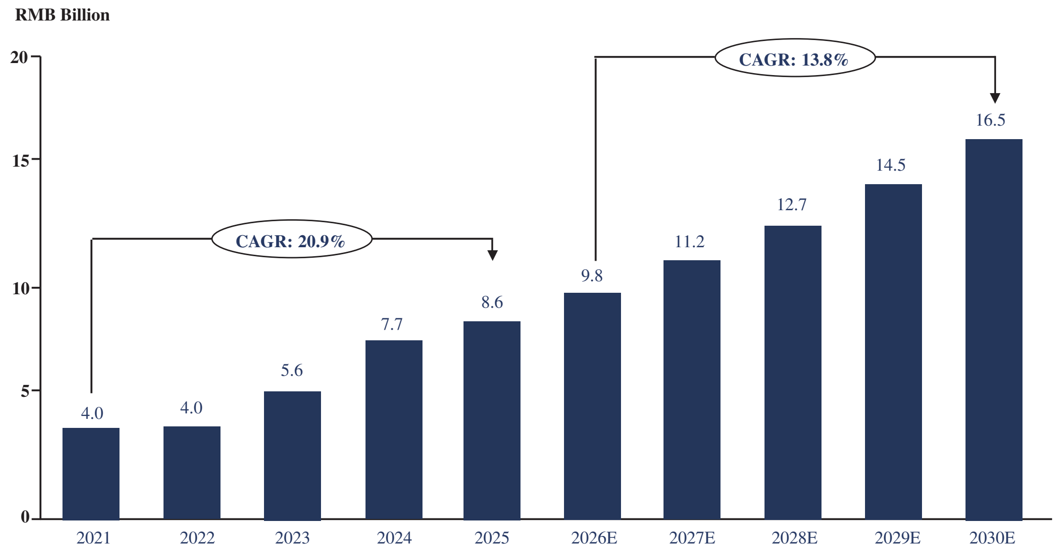
Source: Frost & Sullivan

Market Size of AMHS Market

As semiconductor manufacturing in China continues to advance toward more sophisticated process nodes, the China AMHS market expanded rapidly from RMB4.0 billion in 2021 to RMB8.6 billion in 2025, corresponding to a CAGR of 20.9%.

Looking ahead, the ongoing evolution of advanced manufacturing processes and the deepening penetration of automated wafer foundries operations are expected to be key drivers of AMHS market growth. In parallel, the localization of semiconductor manufacturing supply chains and the gradual substitution of imported systems are set to unlock additional growth potential for domestic AMHS providers. From 2026 to 2030, China's AMHS market is projected to grow at a CAGR of 13.8%, expanding from RMB9.8 billion in 2026 to RMB16.5 billion by 2030. This trend reflects the high reliance of 12-inch wafer foundries on advanced automation and integrated material handling and logistics systems.

Market Size of AMHS (by revenue), China, 2021-2030E

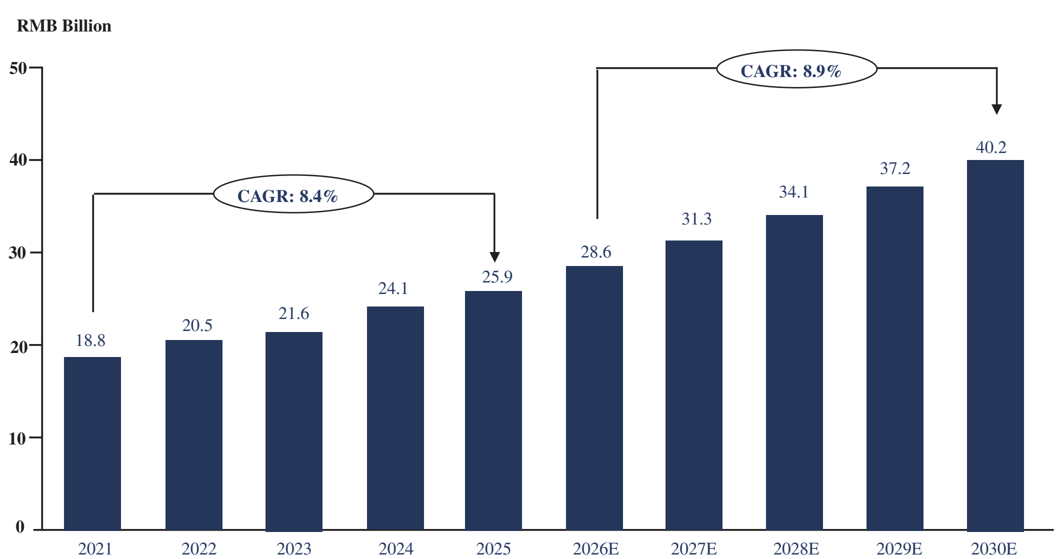


Source: Frost & Sullivan

The global AMHS market expanded from RMB18.8 billion in 2021 to RMB25.9 billion in 2025, representing a CAGR of 8.4%. Growth during this period was primarily driven by rising system deployment requirements associated with the construction and expansion of 12-inch wafer foundries, as well as increasingly stringent wafer foundries requirements for higher cleanliness standards, higher capacity utilization, and more stable logistics scheduling. These factors collectively supported higher penetration and greater value contribution of AMHS within fab-level automation architectures.

Looking ahead, the continued advancement of leading-edge process nodes and the deeper application of intelligent technologies, such as AI-enabled production scheduling, equipment coordination, and data-driven operations and maintenance, are expected to further enhance the value proposition of AMHS and serve as key catalysts for automation upgrades across existing production lines. From 2026 to 2030, the global AMHS market is projected to grow at a CAGR of 8.9%, expanding from RMB28.6 billion in 2026 to RMB40.2 billion by 2030.

Market Size of AMHS (by revenue), Global, 2021-2030E



Source: Frost & Sullivan

Market Drivers of Intelligent Semiconductor Transfer System Market

- ***Expansion of the Semiconductor Industry.*** The global semiconductor industry is currently in an expansion phase driven by the build-out of digital infrastructure. With the widespread adoption of 5G, industrial internet, and cloud computing, chip demand has formed a structurally sustained growth trend. More importantly, the explosive growth of generative AI has reshaped the computing landscape, not only driving demand for high-performance computing and high-bandwidth memory, but also accelerating the adoption of advanced packaging technologies such as Chiplet and CoWoS, significantly increasing manufacturing complexity. In this context, intelligent transfer system have evolved from basic logistics tools into critical infrastructure that ensures high-throughput wafer flow, supports efficient production scheduling, and enables reliable delivery of advanced manufacturing capacity.

- ***Technology Iteration and Advanced Process Nodes.*** The scaling of wafer sizes and the continuous advancement of process technology represent two major long-term trends in semiconductor manufacturing. As wafer diameters transitioned from 8-inch to 12-inch, and process nodes advanced toward 5nm, 3nm, and beyond, requirements for wafer transfer accuracy, automation levels, and system stability have increased substantially. Front-end wafer transfer systems face increasingly stringent performance requirements, including micron- and sub-micron-level positioning accuracy, higher throughput, minimal human intervention, and strict cleanroom contamination control. These technical challenges have made highly automated, fab-wide intelligent transfer system a standard configuration for modern wafer foundries.

- ***Demand for Cost Reduction and Efficiency Improvement.*** Under the dual pressures of shrinking process margins and high capital intensity in wafer fabrication, improving overall equipment effectiveness has become a core priority for manufacturers. Traditional labor-intensive material handling methods are increasingly constrained by efficiency bottlenecks and human error and are no longer suitable for advanced manufacturing environments. Intelligent transfer system, driven by data, algorithms, and system-level optimization, have become a central enabler of cost reduction and efficiency improvement. By deeply integrating with production scheduling, dispatch optimization, and predictive maintenance systems, AMHS solutions help reduce wafer waiting time, minimize downtime risks, and improve overall wafer foundries productivity. This deep integration between software and hardware positions intelligent transfer system as a key lever for achieving cost efficiency and yield enhancement.

- ***Policy Support and Self-supplying.*** Against the broader macro backdrop of intensified geopolitical tensions and accelerated technological decoupling, building a self-supplying semiconductor supply chain has become a strategic necessity at the national security level. As a result, strong government policy support and sustained injections of dedicated funding have created a historic development opportunity for domestic intelligent transfer system vendors. Driven by considerations of supply chain security and stability, domestic wafer foundries, while prioritizing cost and performance, are increasingly inclined toward localized sourcing and self-supplying. Intelligent transfer system are deeply integrated into wafer foundries operations and production continuity, and their localization carries significant strategic importance This has helped break through long-standing barriers to self-supplying, enabling intelligent transfer system to move from initial adoption into a new stage of scaled implementation and continuous market penetration.

Development Trends of Intelligent Semiconductor Transfer System Market

- ***Continuous Performance Improvement.*** Semiconductor intelligent transfer system is required to achieve higher cleanliness levels, greater throughput, and more precise motion control. As semiconductor processes advance to 3nm and 2nm, requirements for cleanliness become increasingly stringent. System designs adopt optimized airflow layouts to ensure zero dead zones and enable effective removal of particles shed by FOUPs. Special materials with low outgassing, anti-static, and corrosion-resistant properties are used in enclosures, ducts, and components to suppress particle generation at the source. In addition, equipment vendors are applying carbon-fiber mechanical arms, magnetic-levitation guide rails, and optical positioning and sensing technologies to achieve lighter weight, lower vibration, and higher responsiveness in transport performance, in order to meet the stringent environmental requirements of EUV lithography and advanced process steps such as atomic layer deposition.

- ***Accelerated Modularization and Standardization.*** To shorten wafer foundries construction cycles and reduce operation and maintenance complexity, leading vendors are promoting modular designs for core components such as OHT, vacuum transfer systems, and EFEM. Due to the diversity of semiconductor devices, wafers from different wafer foundries may vary in thickness, dimensions, and load requirements. Intelligent transfer system therefore adopt modular architectures that allow rapid replacement of robotic arms, guide rails, and load modules to accommodate different customer and process needs. Vendors are also developing platform-based EFEM products that share core mechanical structures and key components, reducing development and manufacturing costs through economies of scale while enabling faster delivery of customized configurations to meet diverse requirements.

- ***Breakthroughs and Upgrading of Domestic Enterprise Technologies.*** Driven by geopolitical factors and supply chain security requirements, domestic Chinese transfer system vendors are entering a critical transition phase. Domestic suppliers have gradually moved from peripheral packaging and testing segments into front-end wafer manufacturing, successfully entering 12-inch advanced process production lines of leading domestic wafer foundries by leveraging high cost performance and rapid response capabilities. In high-barrier areas such as vacuum transfer systems and front-end modular systems, domestic vendors have achieved technology validation through rigorous mass-production certification. Currently, domestic suppliers are focusing on breakthroughs in ultra-clean control, high reliability, and hybrid algorithm control under complex scenarios, narrowing the performance gap with international leaders. Over the next five years, the penetration rate of domestic intelligent transfer system in newly built wafer foundries is expected to increase steadily.

- ***Intelligent Development.*** As the coupling between hardware and software continues to deepen, software and system capabilities have become a key differentiating factor for vendors. Intelligent transfer system is evolving from single-function "transport tools" toward intelligent execution systems with integrated decision-making capabilities. Through sensor integration, advanced data acquisition, and algorithm-based analytics, systems can perform predictive maintenance, such as analyzing vibration spectra to identify potential failures in advance and avoid unexpected downtime.

COMPETITIVE ANALYSIS OF INTELLIGENT SEMICONDUCTOR TRANSFER SYSTEM MARKET

Competitive Landscape of Intelligent Semiconductor Transfer System Market in China

The Chinese intelligent semiconductor transfer system market presents a binary pattern of "overseas leadership, domestic acceleration." Overseas manufacturers dominate the high-end market and complete equipment segments, leveraging their technological expertise. Meanwhile, domestic enterprises are making breakthroughs in areas such as equipment and modules, and are steadily penetrating the high-end market by leveraging close customer proximity and rapid iteration. Looking ahead, the competitive landscape will focus on technological upgrades and supply chain security. With the continued rise in localization rates, the market share of Chinese domestic companies is expected to keep expanding.

Ranking of Intelligent Semiconductor Transfer System Manufacturers in China

The market size of intelligent semiconductor transfer system market in China in 2025 achieved RMB14,578.6 million. With a revenue of RMB390.9 million in intelligent semiconductor transfer system in 2025 in China, the Company ranked the 2nd among domestic intelligent semiconductor transfer system manufacturers, with a market share of 2.7%. Based on the relevant revenue in the Chinese market, other major domestic intelligent semiconductor transfer system manufacturers include Company A and Company B.

Top 3 Domestic Intelligent Semiconductor Transfer System Manufacturers (by revenue), China, 2025

Rank	Company Name	Revenue (RMB Million)	Market Share
1	Company A	504.0	3.5%
2	**The Company**	**390.9**	**2.7%**
3	Company B	284.2	1.9%
	Total	**14,578.6**	**100.0%**

Source: Company Annual Reports, Frost & Sullivan

Note: Company A is a company headquartered in China and was established in 2019, primarily focuses on the R&D and manufacturing of semiconductor equipment and components.

Company B is a company headquartered in China, it was established in 2000 and listed on the Shenzhen Stock Exchange, primarily provides solutions including robotics and intelligent manufacturing systems. Its semiconductor equipment business covers wafer handling and clean automation systems.

Ranking of Wafer Transfer Equipment Manufacturers in China

The market size of wafer transfer equipment market in China in 2025 achieved RMB5,950.3 million. With a revenue of RMB377.5 million in wafer transfer equipment in 2025 in China, the Company ranked the 4th among wafer transfer equipment manufacturers, with a market share of 6.3%, and ranked the 2nd among domestic manufacturers. Based on the relevant revenue in the Chinese market, other major wafer transfer equipment manufacturers include Company C, Company D, Company A, and Company B.

Top 5 Wafer Transfer Equipment Manufacturers (by revenue), China, 2025

Rank	Company Name	Revenue (RMB Million)	Market Share
1	Company C	1,638.0	27.5%
2	Company D	779.0	13.1%
3	Company A	504.0	8.5%
4	**The Company**	**377.5**	**6.3%**
5	Company B	284.2	4.8%
	Others	2,367.6	39.8%
	Total	**5,950.3**	**100.0%**

Source: Company Annual Reports, Frost & Sullivan

Note: Company C is a company headquartered in Japan, it was established in 1969 and listed on the Tokyo Stock Exchange, primarily provides precision automation equipment for semiconductor manufacturing.

Company D is a company headquartered in the United States, it was established in 1978 and listed on the New York Stock Exchange, primarily provides advanced automation and transport solutions for semiconductor manufacturing and other high-tech industries.

12-inch wafer transfer equipment offers higher throughput and lower cost per die, requiring superior precision and contamination control, making it an industry trend of transition from 8-inch wafer and wafer equipment. The market size of 12-inch wafer transfer equipment market in China in 2025 achieved RMB4,573.9 million. With a revenue of RMB354.7 million in 12-inch wafer transfer equipment in 2025 in China, the Company ranked the 1st among domestic wafer transfer equipment manufacturers for 12-inch wafer manufacturing, with a market share of 7.8%. Based on the relevant revenue in the Chinese market, other major domestic wafer transfer equipment manufacturers for 12-inch wafer manufacturing include Company A and Company B.

Top 3 Domestic Wafer Transfer Equipment Manufacturers for 12-Inch Wafer Manufacturing (by revenue), China, 2025

Rank	Company Name	Revenue (RMB Million)	Market Share
1	**The Company**	**354.7**	**7.8%**
2	Company A	277.2	6.1%
3	Company B	207.6	4.5%
	Total	**4,573.9**	**100.0%**

Source: Company Annual Reports, Frost & Sullivan

Entry Barriers of Intelligent Semiconductor Transfer System Market

- ***Technology Barrier.*** The semiconductor intelligent transfer system industry features exceptionally high technological barriers, with its core lying in achieving deep integration of cutting-edge interdisciplinary technologies and an ultimate pursuit of reliability. Products must maintain extremely high operational precision and stability over long periods within ultra-clean, vibration-free rigorous physical environments, where any minor deviation could lead to significant production losses. This requires enterprises not only to master sophisticated mechanical, control, and software technologies but also to possess a profound understanding of complex chip manufacturing processes, thereby constructing a deep and difficult-to-cross comprehensive technological moat.

- ***Talent Barrier***. R&D and innovation in this field rely heavily on interdisciplinary talent proficient in cutting-edge mechanical engineering, complex control algorithms, and specific chip manufacturing processes. Such talent is extremely scarce globally, requires lengthy cultivation cycles, and is typically highly concentrated within existing industry-leading companies. New entrants find it difficult to assemble a core team with essential innovation capabilities and rich engineering experience in the short term, which significantly constrains the pace of their technological breakthroughs.

- ***Supply Chain and Certification Barrier***. Supply channels for high-end core components of semiconductor intelligent transfer system, such as precision ceramic parts and specialized sensors, are often highly concentrated, making it difficult for new entrants to secure stable, high-quality access to these components. Furthermore, to enter the supply chain of core customers, one must undergo an extremely lengthy and rigorous quality and reliability certification process. Equipment and systems must achieve seamless collaboration and data interoperability with the various complex process equipment existing in customer production lines. This trust relationship, built on long-term cooperation and ecological integration, constitutes a formidable barrier to entry.

- ***Capital Carrier***. This industry is a typical high-R&D, asset-heavy sector, characterized by substantial upfront investment and an extended profit cycle. From fundamental technology R&D and prototype manufacturing to building compliant production and testing environments, continuous and massive capital investment is required. Simultaneously, the market validation and customer introduction period for products is extremely long. Enterprises must possess substantial financial strength to support the significant upfront investments and validation costs, posing an ultimate test of long-term strategic planning and capital endurance.

The major PRC laws, regulations, normative documents and regulatory policies that have impact on our business operations are set out below:

INDUSTRIAL POLICIES AND REGULATORY PROVISIONS

The Outline for Promoting the Development of the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), promulgated by the State Council on June 24, 2014 and effective on the same day, sets out main tasks and priorities of development of the PRC's integrated circuit industry, including putting efforts on the development of integrated circuit design industry, accelerating the development of integrated circuit manufacturing industry, improving the development level of advanced packaging and testing industry, and making breakthroughs on the key equipment and materials of integrated circuit.

The National Catalogue for Guidance on Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》), promulgated by the National Development and Reform Commission (the "**NDRC**") on December 27, 2023 and effective on February 1, 2024, categorizes "integrated circuit" and "intelligent manufacturing" under the encouraged category.

The "14th Five-Year" Intelligent Manufacturing Development Plan (《"十四五"智能製造發展規劃》), jointly promulgated by the Ministry of Industry and Information Technology (the "**MIIT**") and seven other departments on December 21, 2021, proposed a "two-step" goal in promoting the development of intelligent manufacturing, including constructing smart manufacturing demonstration factories, building smart workshops and smart factories, and expanding the application of intelligent manufacturing. The plan further sets out that, leveraging the strong domestic market, the development of intelligent manufacturing equipment, software and system solutions shall be accelerated. In particular, with respect to the weaknesses and shortcomings in key areas such as sensing, control, decision-making and execution, the plan calls for strengthening collaborative innovation among industry, academia and research institutions to achieve breakthroughs in a number of "bottleneck" basic components and devices, and promotes the deep integration of advanced processes, information technology and manufacturing equipment through the construction of smart workshops and factories, driving the accelerated development and iterative upgrading of both general-purpose and specialized intelligent manufacturing equipment.

REGULATIONS IN RELATION TO PRODUCT LIABILITY

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018 (the "**Product Quality Law**"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any bodily injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (1) the product has never been circulated; (2) the defects causing injuries or damage did not exist at the time when the product was circulated; or (3) the science and technology at the time when the product was circulated were at a level incapable of detecting the defects.

REGULATIONS ON IMPORT AND EXPORT OF GOODS

According to the revised Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on December 27, 2025 and effective on March 1, 2026, no filings is required for foreign trade operators engaged in goods import and export or technology import and export, with effect from March 1, 2026.

According to the Administrative Provisions of the Customs of the People's Republic of China on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective on January 1, 2022, where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall be filed as a foreign trade operator.

REGULATIONS ON FOREIGN INVESTMENT

Foreign Investment

As provided under the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) ("**Foreign Investment Law**"), which was promulgated by the National People's Congress on March 15, 2019 and came into effect on January 1, 2020, the State adopts the management system of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments; and the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will grant national treatment to foreign investments outside of the negative list. The negative list is released by or upon approval of the State Council.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), promulgated by the NDRC and MOFCOM on September 6, 2024 and effective on November 1, 2024 , sets forth industries in which foreign investment is restricted or prohibited. The Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《 鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraging Catalog**"), promulgated by the NDRC and MOFCOM on December 15, 2025 and effective on February 1, 2026, sets forth industries in which foreign investment is encouraged. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Outbound Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》)promulgated by the MOFCOM on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by verification and approval. Outbound investment that falls under any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and effective from March 1, 2018, domestic enterprises (the "**investors**") in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects (the "**Projects**"), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the investors directly or through overseas enterprises controlled by them shall be subject to the management of verification and approval; non-sensitive Projects directly carried out by the investors, namely, non-sensitive projects involving the investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to the management of record-filing. The aforementioned sensitive project means a project involving sensitive countries and regions or a sensitive industry. The NDRC promulgated the Catalog of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018, to list the sensitive industries for foreign investment in detail.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the State Administration of Foreign Exchange on February 13, 2015 and effective from June 1, 2015, which was last amended on December 30, 2019, the approval of foreign exchange registration for direct investment is canceled. Banks directly review and handle the foreign exchange registration for overseas direct investment. The State Administration of Foreign Exchange and its branches indirectly supervise the registration of foreign exchange for overseas direct investment through banks.

REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PROTECTION OF PERSONAL INFORMATION

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with the laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. Any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others, or illegally stealing or obtaining personal information, or illegally selling or providing personal information to others.

According to the Cybersecurity Review Measures (《網絡安全審查辦法》), jointly promulgated by the Cyberspace Administration of China (the "**CAC**") and other regulatory authorities on December 28, 2021 and effective on February 15, 2022, (i) an application for cybersecurity review shall be made by an issuer which is an internet platform operator holding personal information of more than one million users before such issuer applies to list its securities in a foreign country. Since the Hong Kong Special Administrative Region is not a foreign country, listing in Hong Kong does not fall within the scope of listing abroad, so that voluntary application for cybersecurity review shall be not required under this provision, (ii) critical information infrastructure operators that purchase internet products and services must be subject to a cybersecurity review if their activities affect or may affect national security, (iii) network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review. Pursuant to Article 16 under the Cybersecurity Review Measures, "where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a review in accordance with the Cybersecurity Review Measures."

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and took effect on September 1, 2021, provides that conducting data processing activities shall be in compliance with the provisions of laws and regulations, and sets forth the requirements for establishing and completing a data security management system for the entire workflow, as well as the relevant legal liabilities due to the failure to fulfill the data security protection obligations as stipulated in this Law. Processors of important data shall specify the person responsible for data security and management agencies, implement data security protection responsibilities, periodically conduct risk assessments of such data processing activities as provided and submit risk assessment reports to the relevant authorities. If an entity violates the Data Security Law of the People's Republic of China and other applicable measures, such entity may be subject to a rectification order, warning, fine, suspension of relevant business, suspension of operations for rectification, and revocation of business permits or licenses by the relevant competent authorities, or even held criminally liable.

According to the Regulations on Network Data Security Management (《網絡數據安全管理條例》) promulgated by the State Council on September 24, 2024 and effective on January 1, 2025, no individual or organization shall engage in illegal activities using network data, nor shall they engage in unlawful network data processing activities such as stealing or illegally obtaining network data, or unlawfully selling or providing network data to others. A network data processor that conducts network data processing activities which affect or may affect national security shall be subject to national security review in accordance with the relevant national regulations.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which consolidates discrete rules on personal information rights and privacy protection and took effect on November 1, 2021. The Personal Information Protection Law aims to protect personal information rights, regulate the processing of personal information, and promote the rational use of personal information. As stipulated in the Personal Information Protection Law, personal information refers to the information related to an identified or identifiable individual recorded electronically or by other means, excluding anonymized information. The Personal Information Protection Law applies to processing activities for personal information of natural person within the territory of the RPC, as well as to certain processing activities for personal information of natural person within the territory of the RPC outside the territory of the RPC, including but not limited to the provision of products or services for, and the analysis and assessment of the behavior of, a natural person within the territory of the RPC, and other circumstances under laws and administrative regulations.

On July 7, 2022, the CAC promulgated the Measures for Security Assessment for Cross-border Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022. The Measures provide the following circumstances, under any of which data processors who provide data to overseas areas shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a data processor provides important data to overseas areas; (ii) where a crucial information infrastructure operator and a data processor processing the personal information of more than one million individuals provide personal information to overseas areas; (iii) where a data processor who has provided personal information of 100,000 individuals or sensitive data of 10,000 individuals cumulatively to overseas areas since January 1 of the previous year provides personal information to overseas areas; and (iv) other circumstances in which the application for security assessment of cross-border transfer of data is required as stipulated by the CAC.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》). The Provisions provide the following circumstances, under any of which data processors who provide data to overseas areas shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where a crucial information infrastructure operator provides personal information or important data to overseas areas; (ii) where a data processor other than critical information infrastructure operators provides important data to overseas areas or cumulatively provides overseas areas personal information (excluding sensitive personal information) of more than one million individuals, or sensitive personal information of more than 10,000 individuals since January 1 of any calendar year. Besides the above, the Provisions also provide certain circumstances under which the data processors are exempted from carrying out the security assessment of data cross-border transfer or standard contract/personal information protection certification requirements, loosening the regulations over personal information data cross-border transfer.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

According to the Foreign Exchange Control Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and latest amended on August 5, 2008, with the latest revision effective on the same date, transactions involving goods, services, income and current transfers in the balance of payments are regarded as current accounts, under which the foreign exchange payments shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document; domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on February 13, 2015 and effective on June 1, 2015, the State Administration of Foreign Exchange (the "**SAFE**") has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

On December 24, 2025, the People's Bank of China and the SAFE jointly issued the Notice on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (《關於境內企業境外上市資金管理有關問題的通知》) (the "**Notice**"), which came into effect on April 1, 2026. The Notice unifies Renminbi and foreign-currency fund management for overseas listing proceeds, facilitates domestic use of proceeds and exchange-rate risk management, streamlines registration procedures, and strengthens fund supervision by generally requiring repatriation of proceeds while allowing qualified enterprises to retain funds overseas under prescribed conditions.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

In accordance with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984, and latest amended on October 17, 2020 and effective on June 1, 2021, the Implementation Regulations for the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023, with the latest revision effective on January 20, 2024, patent in PRC shall be categorized as invention, utility model and design. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date.

Trademark

In accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982, and was latest amended on April 23, 2019, with the latest revision effective on November 1, 2019, and the Implementation Regulations for the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) which was promulgated by the State Council on August 3, 2002 and was latest amended on April 29, 2014, with the latest revision effective on May 1, 2014, trademarks approved and registered by the Trademark Bureau are recognized as registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants are entitled to exclusive rights to use trademark and are protected by the law. A registered trademark shall be valid for 10 years, commencing from the date of registration. Use of a trademark identical or similar to a registered trademark on the same type of commodities without licensed by the trademark registrant shall be deemed as infringement of exclusive rights to use registered trademarks.

Domain Name

In accordance with the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the domain name registration services shall in principle implement "first-to-file" principle, unless otherwise stipulated by specific registration rules. Upon completion of registration, the applicant becomes the holder of the domain name. Any organization or individual that considers a domain name registered or used by another party to infringe upon its lawful rights and interests may apply to a domain name dispute resolution provider for resolution or initiate legal proceedings before a people's court in accordance with law.

Copyright

In accordance with the Copyright Law of the People's Republic China (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020, with latest revision effective on June 1, 2021, Chinese citizens, legal persons and other organizations without legal personality are entitled to copyright protection over their works, whether published or unpublished. Copyright includes personal rights and property rights.

REGULATIONS ON TAX

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "**EIT Law**") which was promulgated by the SCNPC on March 16, 2007, and was latest amended on December 29, 2018, with the latest revision effective on the same date and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) (the "**EIT Implementation Regulations**") which was promulgated by the State Council on December 6, 2007, and was latest amended on December 6, 2024, with the latest revision effective on January 20, 2025, both resident enterprises and non-resident enterprises that have established institutions or premises in the PRC are subject to a uniform enterprise income tax rate of 25%. Enterprises established under the laws of other jurisdictions whose "de facto management bodies" are located within the PRC are deemed resident enterprises and are subject to the 25% enterprise income tax rate on income derived from both within and outside the PRC. Corporate income tax for key advanced and new technology enterprises supported by PRC shall be at a reduced tax rate of 15%.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the SCNP on December 25, 2024 and effective as of January 1, 2026, entities and individuals that sell goods, services, intangible assets or real estate within the territory of the PRC, as well as import goods, shall be taxpayers of value-added tax ("**VAT**") and shall pay VAT in accordance with the provisions thereof.

REGULATIONS ON CONSTRUCTION

According to the Law of the People's Republic of China on Urban and Rural Planning (《中華人民共和國城鄉規劃法》) which was promulgated by the SCNPC with effect from January 1, 2008 and recently amended with immediate effect on April 23, 2019, the Construction Law of the PRC (《中華人民共和國建築法》) which was promulgated by the SCNPC with effect from March 1, 1998 and recently amended with immediate effect on April 23, 2019 and the Regulation on Quality Management of Construction Projects (《建設工程質量管理條例》) which was promulgated on January 30, 2000 and amended with immediate effect on April 23, 2019, the construction activities carried out in the built-up areas of cities, towns and villages as well as areas that must be under planning control for urban and rural construction and development shall be in compliance with the relevant requirements of the Urban and Rural Planning Law of the PRC. The construction entity shall obtain the construction land planning permit and the construction project planning permit from the competent department of urban and rural planning under the people's government at the county level, and shall obtain the construction permit from the competent department of housing and urban and rural construction under the people's government at municipal and county level or above of the place of the construction project before commencement of construction. After receiving the construction project completion report, the construction entity shall organize the entities of design, construction, project supervision and other relevant entities to complete the acceptance.

According to the Regulations on the Administration of Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》), which was promulgated by the State Council on November 30, 2016 and came into effect on February 1, 2017, projects related to national security, major productivity distribution, strategic resource development and major public interests are subject to approval management. The specific project scope, the approval authority and the approval power shall be implemented in accordance with the catalog of investment projects approved by the government. Projects other than those stipulated hereinbefore shall be subject to administration by way of filing.

REGULATIONS IN RELATION TO ENVIRONMENTAL PROTECTION

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended on December 29, 2018, and the Administrative Regulations on Environmental Protection for Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

The Interim Measures for Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the former Ministry of Environmental Protection (now the MEE) on November 20, 2017, regulate the procedures and standards for environmental protection acceptance by construction entities upon the completion of construction projects.

Pursuant to Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》), promulgated by the State Council on January 24, 2021 and became effective on March 1, 2021, enterprises, public institutions and other producers and business operators that are subject to pollutant discharge permit administration in accordance with laws shall apply for and obtain a pollutant discharge permit in accordance with the Regulations. The entities that fail to obtain a pollutant discharge permit shall not discharge any pollutants.

According to the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the state implements key management, simplified management and registration-based management-based management of pollutant discharge permits according to factors such as the quantity of pollutants generated and discharged by enterprises, public institutions and other producers and operators discharging pollutants and the degree of impact on the environment.

REGULATIONS ON LABOR

Labor Relations

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, and was latest amended on December 28, 2012, with the latest revision effective on July 1, 2013, governs the establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise entities etc., in the PRC and their workers. It provides detailed provisions concerning the formation, performance, modification, termination and rescission of labor contracts, specifies relevant detailed requirements on terms and contents of labor contracts signed between the parties, and stipulates maximum working hours per day and per week as well as the statutory minimum monthly wage.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, and last amended on December 29, 2018 and came into effect on the same day, the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and last amended on March 24, 2019 and came into effect on the same day, and other relevant laws and regulations, employers in China are required to provide employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing provident fund.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims.

REGULATIONS ON DIVIDEND DISTRIBUTION

In accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), which was promulgated by the SCNPC on December 29, 1993, October 26, 2018, and was amended on December 29, 2023, and the Foreign Investment Law, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as statutory reserves at least 10% of its after-tax profit, until the cumulative amount of statutory reserves reaches 50% of its registered capital unless the provisions of laws regarding foreign investment otherwise provided, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Trade and Investment Facilitation and Improving Authenticity Review (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》)promulgated by the SAFE on January 26, 2017, (1) under the principle of genuine transaction, the banks shall review the board resolutions regarding profit distribution, the original copy of tax filing records and audited financial statements; and (2) domestic institutions shall hold income to account for previous years' losses according to the law before remitting the profits. Moreover, domestic institutions shall make detailed explanations of sources of capital for investment and its utilization arrangements, and provide board resolutions, contracts and other proof of authenticity when proceeding with the registration procedures in connection with an outbound direct investment.

REGULATIONS ON EQUITY INCENTIVE PLAN

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was promulgated by the SAFE on February 15, 2012 and other relevant rules, PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year who participate in equity incentive plans of the same overseas listed company shall, through the domestic company to which the said company is affiliated, collectively entrust a domestic agency (the "**domestic agency**") to handle issues like foreign exchange registration, account establishment, funds transfer and remittance, and entrust an overseas institution (the "**overseas trustee**") to handle issues like exercise of options, purchase and sale of corresponding stocks or equity, and transfer of corresponding funds. In addition, in the case of any significant change in the equity incentive plan of a company listed overseas (such as amendment to any key clauses of the original plan, addition of a new plan, or any other change in the original plan arising out of the merger, acquisition or reorganization of the overseas listed company or the domestic company or other major events), the domestic agency or the overseas trustee shall, within three months of the occurrence of such change, go through change registration procedures with the local office of the SAFE on the strength of a written application, the original certificate of foreign exchange registration for the equity incentive plan, a newly filled-out Foreign Exchange Registration Form and materials which demonstrate the authenticity of relevant transactions.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest amended on December 28, 2019 and effective on March 1, 2020, comprehensively regulates activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)(the "**Overseas Listing Trial Measures**") together with five supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provide that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"). Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

The major Malaysian laws, regulations and regulatory policies that have an impact on our business operations are set out below:

REGULATIONS ON COMPANY GOVERNANCE AND CORPORATE COMPLIANCE

The Companies Act 2016 (the "**Companies Act**") constitutes the principal legislation governing all companies in Malaysia. It governs how companies are formed, managed, and regulated. It provides a comprehensive statutory framework in respect of, among others, incorporation of company, company structure (including the no-par value share regime) and management, appointment, duties and responsibilities of directors and company secretaries, shareholders' right, financial reporting and auditing and winding up procedures. It further establishes the separate legal personality of a company and prescribes mandatory statutory filing obligations as well as shareholders' rights and obligations. The Companies Act applies to all corporate governance matters of the Company, including shareholding changes, appointment and removal of directors, registration of security interests and corporate approvals. The Companies Act is administered by the Companies Commission of Malaysia (SSM). To the extent applicable, it applies to the Company's relevant corporate governance matters.

REGULATIONS ON INDUSTRY AND MANUFACTURING LICENSING

The Industrial Co-ordination Act 1975 (the "**ICA**") is the primary law administered by Ministry of Investment, Trade and Industry (**MITI**) to regulate and coordinate the manufacturing sector in Malaysia. It governs, among others, the licensing of manufacturing activities and the conditions imposed on licensed manufacturers. Pursuant to the ICA, manufacturing activities meeting prescribed thresholds are required to obtain a manufacturing license granted by the Minister and administered in practice by the Malaysian Investment Development Authority (MIDA) who issues specific guidelines. The ICA constitutes an important part of the regulatory framework applicable to the Company's manufacturing operations. To the extent applicable, it applies to the Company's manufacturing activities.

REGULATIONS ON CUSTOMS AND CROSS-BORDER TRADE

The Customs Act 1967 (the "**Customs Act**") governs import and export of goods in Malaysia. It empowers the Royal Malaysian Customs Department (RMCD) to levy and collect customs duties, control the movement of goods across borders, and manage warehouses.. To the extent applicable, the Customs Act applies to the Company's import and export of equipment, bonded warehousing arrangements and operations within customs-controlled areas.

REGULATIONS ON EMPLOYMENT AND WORKPLACE COMPLIANCE

The Employment Act 1955 (the "**Employment Act**") sets out the statutory framework governing employment relationships in Malaysia, including contracts of service, wages, working hours, leave entitlements, termination and lay-off procedures and minimum employee protections. The Employment Act primarily applies to employees within the statutory scope (including those below prescribed salary thresholds or engaged in specified categories of work) and forms a key legal basis for the Company's employment practices. To the extent applicable, it applies to the Company's employment arrangements.

In Malaysia, two key laws govern mandatory employee contributions for social protection and retirement savings:

- The Employees' Social Security Act 1969 establishes the Social Security Organization (SOCSO, also known as PERKESO). It provides protection against employment-related injuries, invalidity, and death through schemes like the Employment Injury Scheme and Invalidity Scheme. Contributions are generally mandatory for Malaysian employees and permanent residents, and in many cases also apply to foreign workers (though coverage differs by scheme).

- The Employees Provident Fund Act 1991 governs the Employees Provident Fund (EPF), which is a retirement savings scheme. Both employers and employees must contribute a percentage of wages into individual EPF accounts. This primarily applies to Malaysian citizens and permanent residents, while participation for foreign workers is typically voluntary unless specific conditions apply.

The Fire Services Act 1988 (the "**Fire Services Act**") regulates fire safety requirements for industrial and commercial premises, including fire protection systems, approvals and certification, and is enforced by the Fire and Rescue Department of Malaysia (BOMBA). To the extent applicable, it applies to the Company's manufacturing building and office premises.

The Occupational Safety and Health Act 1994 (the "**OSHA**"), as amended in 2022, regulates workplace safety and health in Malaysia. It imposes general duties on employers to ensure a safe working environment, including the need to identify hazards, assess risks, and implement appropriate control measures for workplace processes.

REGULATIONS ON TAXATION AND DOCUMENTATION COMPLIANCE

The Income Tax Act 1967 (the "**Income Tax Act**") governs the imposition, assessment and administration of income tax in Malaysia, including tax filing obligations, determination of taxable income, tax audits and transfer pricing compliance, and is administered by the Inland Revenue Board of Malaysia. To the extent applicable, it applies to the Company's taxation matters.

The Stamp Act 1949 (the "**Stamp Act**") imposes stamp duty on specified instruments, including but not limited to leases, share transfer instruments and commercial agreements, and provides that unstamped instruments are generally not admissible in court as evidence unless the applicable stamp duty and penalties are paid. To the extent applicable, it applies to the Company's transactional documents.

The Sales Tax Act 2018 is a consumption-based tax law in Malaysia that governs the imposition of sales tax on taxable goods manufactured locally or imported, typically applied at the manufacturer or importation stage.

REGULATIONS ON REAL PROPERTY AND ASSET COMPLIANCE

The National Land Code 1965 (the "**National Land Code**") governs land administration Peninsular Malaysia, including land tenure, registration of title, and dealings such as transfers, leases. It provides the legal framework for the acquisition, use, and development of land, including industrial land. As land is a State matter, approvals relating to foreign ownership are administered by the relevant State Authorities in accordance with applicable state policies. To the extent applicable, it applies to the Company's land and property arrangements.

REGULATIONS ON INTELLECTUAL PROPERTY PROTECTION

The Patents Act 1983 (the "**Patents Act**") governs the registration, protection and enforcement of patents in Malaysia. To the extent applicable, it applies to the protection of the Company's technological developments.

The Trademarks Act 2019 (the "**Trademarks Act**") regulates the registration, publication, opposition and renewal of trademarks in Malaysia, as well as their protection and enforcement. To the extent applicable, it applies to the Company's brand protection.

REGULATIONS ON DATA PROTECTION AND ANTI-MONEY LAUNDERING

The Personal Data Protection Act 2010 (the "**PDPA**") regulates the processing of personal data in commercial transactions in Malaysia, including the collection, use, storage and disclosure of such data, and imposes data protection obligations on data users. To the extent applicable, it applies to the Company's processing of personal data in its business operations.

The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (the "**AMLA**") imposes obligations relating to customer due diligence, record-keeping and reporting of suspicious transactions, and prohibits money laundering and terrorism financing activities. To the extent the Company is subject to obligations under the AMLA (including in relation to specific transactions or counterparties), it is required to comply with the applicable requirements.

REGULATIONS ON ENVIRONMENTAL COMPLIANCE

The Environmental Quality Act 1974 (the "**EQA**") regulates environmental protection in Malaysia and is enforced by the Department of Environment (DOE). It includes the Environmental Quality (Scheduled Wastes) Regulations 2005, which prescribe strict requirements for the classification, storage, labeling, transport, and disposal of scheduled (hazardous) wastes; the Environmental Quality (Clean Air) Regulations 2014, which regulate air emissions from industrial facilities, including limits on smoke, dust, and gaseous pollutants from emission sources such as factory stacks; and the Environmental Quality (Industrial Effluent) Regulations 2009, which set standards for the discharge of industrial wastewater, with compliance requirements based on Standard A or Standard B limits depending on the receiving environment. To the extent the Company is subject to obligations under the EQA, it is required to comply with the applicable requirements.

OVERVIEW

Our history can be traced back to 2020 when our Company was established as a limited liability company on March 17, 2020 under the name of Shanghai GoNa Semiconductor Technology Limited (上海果納半導體技術有限公司) in the PRC. Over the years, we have evolved into 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.

On December 31, 2025, our Company was converted into a joint stock company with limited liability under the name of Shanghai GoNa Semiconductor Technology Co., Ltd. (上海果納半導體技術股份有限公司). As of the Latest Practicable Date, Ms. Ye, our executive Director, Chairlady and chief executive officer, controlled approximately 54.74% of our total issued share capital. For details of Ms. Ye's background, see "Directors and Senior Management".

MILESTONES

The following table summarizes the key milestones in our corporate and business development.

Year	Milestone
2020	Our Company was established in the PRC under the name of Shanghai GoNa Semiconductor Technology Limited (上海果納半導體技術有限公司).
	We completed the Series Angel financing and Series Pre-A financing.
	We shipped our first EFEM to our customer.
	We moved to our headquarters in Lin-gang Special Area, Shanghai.
2021	We completed the Series A financing.
2022	We completed the Series B financing.
	We commenced the R&D process of our AMHS.
2023	We completed the Series B+ financing.
	We completed the acquisition of Waftech.
2024	Our Haining manufacturing base commenced production.
	We received the first order for our AMHS demo.
2025	We received formal order for our AMHS.
	We completed the acquisition of Xindao Wuxi and its subsidiaries.
	Our Company was converted from a limited liability company into a joint stock company with limited liability, and our name was changed to Shanghai GoNa Semiconductor Technology Co., Ltd. (上海果納半導體技術股份有限公司).
2026	We completed the Series C financing.
	We shipped our first next-generation wafer transfer equipment for glass substrates in advanced PLP.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had the following major subsidiaries during the Track Record Period.

Name	Date of Incorporation	Place of Incorporation	Shareholding	Principal Business Activities
Zhejiang GoNa	January 18, 2022	PRC	100%	Manufacturing and sales of components of wafer transfer equipment
Wuhan Nayou	October 12, 2022	PRC	100%	Repair and maintenance of semiconductor manufacturing equipment and sales of components
GoNa Catering	December 17, 2024	PRC	100%	Catering services
Waftech	January 12, 2007	Malaysia	70%	R&D, manufacturing and sales of semiconductor packaging automation equipment
Xindao Wuxi	November 26, 2021	PRC	51.78%	Investment holding
Xindao Precision	July 16, 2018	PRC	51.78%	R&D, manufacturing and sales of the components of wafer transfer equipment
Xindao Innovation	May 10, 2021	PRC	51.78%	R&D and sales of the components of wafer transfer equipment

MAJOR CORPORATE DEVELOPMENTS AND SHAREHOLDING CHANGES

1. Establishment of our Company and early shareholding changes

Our Company was established as a limited liability company in the PRC on March 17, 2020 under the name of Shanghai GoNa Semiconductor Technology Limited (上海果納半導體技術有限公司) with an initial registered capital of RMB500,000. At the time of our establishment, our Company was owned by Lu Wangping (盧網平) and Pan Xuejun (潘學軍) as to 50% and 50%, respectively.

Upon the establishment of our Company, Lu Wangping and Pan Xuejun held their respective equity interests in our Company on behalf of Ms. Ye, our executive Director, Chairlady and chief executive officer. Pursuant to the equity transfer agreement dated June 30, 2020, each of Lu Wangping and Pan Xuejun transferred their entire shareholding interest in our Company to Shanghai Haotang and Shanghai Zhushi, respectively. Both of Shanghai Haotang and Shanghai Zhushi are controlled by Ningbo Xilan as general partner and Ningbo Xilan controlled by Ms. Ye. Subsequently, pursuant to a capital increase agreement entered into on June 30, 2020 by, among others, our Series Angel Pre-**[REDACTED]** Investors and Shanghai Shixin, a limited partnership controlled by Ningbo Xilan as general partner, Shanghai Shixin subscribed for a registered capital of RMB10,200,000 in our Company. Shanghai Shixin is a limited partnership established in the PRC on June 24, 2020 and is managed by its general partner, Ningbo Xilan, with approximately 83.53% partnership interest. Ningbo Xilan is owned as to 99% by Ms. Ye. As of the Latest Practicable Date, Shanghai Shixin had four limited partners comprising of (i) Li Yezi (李葉子), a niece of Ms. Ye, who holds approximately 5.88% partnership interest; and (ii) three founding employees of our Group, which in aggregate held approximately 10.59% partnership interest.

The shareholding structure immediately after completion of the equity transfer and capital increase as mentioned above are as follows:

Shareholder	Registered capital subscribed for	Percentage of shareholding in our Company
	(RMB)	
Shanghai Shixin[Note]	10,200,000	42.50%
Shanghai Zhushi	6,000,000	25.00%
Shanghai Haotang	4,800,000	20.00%
Li Bin (李斌)	1,500,000	6.25%
Chen Min (陳敏)	750,000	3.13%
Wang Meijuan (王美娟)	750,000	3.13%
Total	**24,000,000**	**100.00%**

Note:

On August 12, 2022, Shanghai Shixin entered into an equity transfer agreement with Shanghai Jinpu Phase II Intelligent Technology Private Investment Fund Partnership (Limited Partnership) (上海金浦二期智能科技私募投資基金合夥企業(有限合夥)) ("**Shanghai Jinpu Intelligent**"), pursuant to which Shanghai Shixin transferred a registered capital of RMB502,133 in our Company to Shanghai Jinpu Intelligent at a consideration of RMB20.0 million, which was determined after arm's length negotiation of the parties. On December 19, 2022 and December 27, 2022, Shanghai Jinpu Intelligent has subsequently transferred a registered capital of RMB251,067 and RMB251,067 in our Company at a consideration of RMB10.0 million and RMB10.0 million to West Shanghai Automotive Service Co., Ltd. (西上海汽車服務股份有限公司) ("**West Shanghai Automotive**") and Zhuhai Hengqin New Area Hongwei Venture Capital Fund Center (Limited Partnership) (珠海橫琴新區弘微創業投資基金中心(有限合夥)) ("**Zhuhai Hongwei**") respectively prior to the full settlement of the consideration payable to Shanghai Shixin. The consideration payable by West Shanghai Automotive was payable to Shanghai Shixin and was fully settled on December 29, 2022. The consideration payable by Zhuhai Hongwei was payable to Shanghai Shixin and was fully settled on January 17, 2023.

On August 12, 2022, Shanghai Shixin entered into an equity transfer agreement with Shanghai Dingfeng Jiacheng Private Equity Fund Partnership (Limited Partnership) (上海鼎峰嘉成私募基金合夥企業(有限合夥)) ("**Shanghai Dingfeng Jiacheng**"), pursuant to which Shanghai Shixin transferred a registered capital of RMB251,066 in our Company to Shanghai Dingfeng Jiacheng at a consideration of RMB10.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on September 15, 2022.

On October 20, 2023, Shanghai Shixin entered into an equity transfer agreement with Wuxi Zhenghai Yuanyu Venture Capital Investment Partnership (Limited Partnership) (無錫正海緣宇創業投資合夥企業(有限合夥)) ("**Wuxi Zhenghai Yuanyu**"), pursuant to which Shanghai Shixin transferred a registered capital of RMB455,893 in our Company to Wuxi Zhenghai Yuanyu at a consideration of RMB20.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on November 24, 2023.

See "—Pre-**[REDACTED]** Investments" for further details of our Pre-**[REDACTED]** Investors in our Series Angel financing.

2. Pre-[REDACTED] Investments

After our establishment, our major shareholding changes were mostly related to the Pre-**[REDACTED]** Investments. From June 2020 to March 2026, we successively underwent several rounds of financings, including Series Angel financing, Series Pre-A financing, Series A financing, Series B financing, Series B+ financing and Series C financing. See "—Pre-**[REDACTED]** Investments" for further details.

3. Conversion into a joint stock limited liability company

Pursuant to shareholders' resolutions and a promoters' agreement dated December 5, 2025 entered into by our then Shareholders, on December 31, 2025, our Company was converted from a limited liability company to a joint stock company with limited liability (the "**Conversion**") and was renamed as Shanghai GoNa Semiconductor Technology Co., Ltd. (上海果納半導體技術股份有限公司). Upon completion of the Conversion, the total issued share capital of our Company was 34,982,480 Shares with a nominal value of RMB1.00 each, which were subscribed by our then Shareholders in proportion to their respective interests in our Company before the Conversion.

INCENTIVE PLATFORMS

In recognition of the contributions of our key employees and external consultants and in order to incentivize them to further promote our development, Shanghai Zhushi and Shanghai Haotang were established in the PRC as our incentive platforms.

Shanghai Zhushi

Shanghai Zhushi is a limited partnership established in the PRC on June 12, 2020 and is managed by its general partner, Ningbo Xilan. Ningbo Xilan is owned as to 99% by Ms. Ye. As of the Latest Practicable Date, Shanghai Zhushi had 44 limited partners holding approximately 43.62% partnership interest in it, with none of them holding more than 30% partnership interest. Shanghai Zhushi directly held approximately 16.59% equity interest in our Company. Its partners are set out as follows:

Partners	Current position(s) in our Company	Partnership interest
General partner		
Ningbo Xilan	N/A	56.38%
Limited partners		
Dr. Gao Huixia	Executive Director, secretary to our Board and joint company secretary	2.00%
Mr. Gong Liguang	Executive Director	1.67%
Mr. Wei Xiaowei	Financial controller	0.83%
Mr. Zhang Qing	Vice general manager	3.33%
40 key employees of the Group	Management members, core technical personnel and key personnel	35.79%
Total		**100.00%**

Shanghai Haotang

Shanghai Haotang is a limited partnership established in the PRC on June 8, 2020 and is managed by its general partner, Ningbo Xilan, with approximately 77.06% partnership interest. Ningbo Xilan is owned as to 99% by Ms. Ye. As of the Latest Practicable Date, Shanghai Haotang had nine limited partners, comprising of (i) Gong Liguang, our executive Director and a former external consultant of the Group, who holds approximately 6.25% of the partnership interest; and (ii) eight external consultants of the Group and two individuals who are Independent Third Parties being transferees of partnership interests previously owned by external consultants of the Group, which in aggregate held approximately 16.69% partnership interest. Shanghai Haotang directly held approximately 13.28% equity interest in our Company.

SHARE SUBDIVISION

We expect to conduct the Share Subdivision immediately prior to the **[REDACTED]**, pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB36,154,142, will be divided into **[REDACTED]** Shares with par value of RMB0.10 per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the **[REDACTED]**, and the number of our issued Shares will be **[REDACTED]**, without taking into consideration the new Shares to be **[REDACTED]** for the **[REDACTED]**.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of Waftech

Waftech is a limited liability company established in Malaysia on January 12, 2007, and is principally engaged in the research and development, manufacturing and sales of semiconductor packaging automation equipment. Immediately before the acquisition of Waftech by our Company, Waftech was held as to 61% by Chan Boon Lin and 39% by Ho Yuh Cin. To the best knowledge of our Directors, immediately before the acquisition of Waftech by our Company, each of Chan Boon Lin and Ho Yuh Cin is an Independent Third Party.

On June 30, 2023, our Company entered into a sale of shares agreement (the "**Sale of Shares Agreement**"). Pursuant to the Sale of Shares Agreement, our Company purchased 170,800 and 109,200 ordinary shares of Waftech from Chan Boon Lin and Ho Yuh Cin respectively, which in aggregate represented 70% of the share capital of the Company, at an aggregate consideration of MYR21,000,000 (the "**Waftech Share Transfer**"). The consideration for the Waftech Share Transfer was determined based on arm's length negotiations among the parties with reference to a valuation report issued by an independent professional valuer regarding the total equity value of Waftech. After the Waftech Share Transfer, our Company, Chan Boon Lin and Ho Yuh Cin holds 70%, 18.3% and 11.7% of the share capital of Waftech respectively.

The Waftech Share Transfer enables the Group to expand its product portfolio to semiconductor packaging automation equipment, thereby broadening its service capabilities across the semiconductor manufacturing value chain. Furthermore, through Waftech, the Group is able to expand its market presence and customer base from the Chinese mainland to Southeast Asia and Europe, thereby diversifying its geographic revenue sources. The Waftech Share Transfer also allows the Group to mitigate the impact of geopolitical factors on the Group's supply chain security, enhancing operational stability.

The settlement of the consideration and completion of the Waftech Share Transfer took place on December 14, 2023. According to the records maintained with the Companies Commission of Malaysia, the Waftech Share Transfer has been duly reflected in the relevant corporate filings.

Upon completion of the Waftech Share Transfer, Waftech became a 70%-owned subsidiary of our Company. Since none of the applicable percentage ratios as defined under the Listing Rules in respect of the Waftech Share Transfer exceeds 25%, the relevant pre-acquisition financial information of Waftech is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

Save as disclosed above, we did not conduct any other acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

REASON FOR THE [REDACTED]

Our Company is seeking the **[REDACTED]** of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company's business, to strengthen our Company's working capital and to further raise our business profile and global presence. For further details of our future plans, please see "Future Plans and Use of **[REDACTED]**."

PRE-[REDACTED] INVESTMENTS

Our Company entered into several rounds of Pre-**[REDACTED]** Investments with our Pre-**[REDACTED]** Investors.

Principal Terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors' Rights

As of the Latest Practicable Date, we have received several rounds of the Pre-**[REDACTED]** Investments since the incorporation of our Company. The following table summarizes the key terms of the Pre-**[REDACTED]** Investments to our Company made by the Pre-**[REDACTED]** Investors:

	Series Angel Financing	Series Pre-A Financing	Series A Financing	Series B Financing	Series B+ Financing	Series C Financing
Date(s) of agreement	June 30, 2020	December 2, 2020	July 5, 2021 September 20, 2021	September 8, 2022 November 8, 2022	August 1, 2023	August 30, 2025 January 27, 2026
Name of investor(s)	Li Bin (李斌)(4) Chen Min (陳敏)(5) Wang Meijuan (王美娟)(6)	Chen Min(5) Suzhou Yuanzhixin(7) Suzhou Sanxing Zhiqi(8)	Wang Meijuan(6) Suzhou Sanxing Zhiqi(8) Shenzhen Tianxia Future Suzhou Zhongke Zhongxin(9) Nantong Huada Anji Jinzhan(10)	Shanghai Dingfeng Jiacheng Yangzhou Qixin Zhuhai Hongwei Yangzhou ETDZ Linxin	Beijing Jiangfeng Tongchuang Gongqingcheng Changsheng Xiaoman Gongqingcheng Hesheng Xinyuan Gongqingcheng Changsheng Guyu Yangzhou Linxin	Huzhou CICC Qihe Huzhou Xinchuang Changxing Xingchang Chuangqiang Suzhou NRL Guangzhou Dingfeng Xinneng
Full settlement date(1)	August 31, 2020	December 11, 2020	September 30, 2021	November 11, 2022	August 25, 2023	March 24, 2026
Total amount of registered capital subscribed for	RMB3,000,000	RMB2,880,000	RMB3,248,000	RMB1,784,506	RMB1,396,171	RMB2,845,465
Total funds received/to be received by the Company	RMB11,000,000	RMB36,000,000	RMB58,000,000	RMB77,000,000	RMB70,000,000	RMB170,000,000
Approximate Adjusted cost per Share(2)	RMB0.37	RMB1.25	RMB1.79	RMB4.32	RMB5.01	RMB5.98
Discount to the **[REDACTED]**(3)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

	Series Angel Financing	Series Pre-A Financing	Series A Financing	Series B Financing	Series B+ Financing	Series C Financing
Basis of consideration	The consideration was determined based on arm's length negotiation between the Pre-**[REDACTED]** Investors and our Group with reference to the timing of the investments, the valuation of our business and operating entities at the relevant time.					
Lock-up period	Pursuant to PRC Company Law, Shares issued by our Company prior to the **[REDACTED]** (including those held by the Pre-**[REDACTED]** Investors will be subject to a lock-up period of 12 months from the **[REDACTED]**.					
Use of proceeds from the Pre-**[REDACTED]** Investments	All of the funds received from the Pre-**[REDACTED]** Investments had been utilized. All of such proceeds were utilized for the research and development, capital expenditures (including but not limited to the strategic acquisitions of the Company) and general working capital needs of our Group.					
Reasons for increments in the valuation in the Pre-**[REDACTED]** investments	The fluctuations in valuation were due to the general business status of our Group, the advancement of our R&D and the prevailing market sentiment amongst the venture capital markets at the time when the investments were made. Specifically, (i) the fluctuation in valuation between the Series Angel financing and the Series Pre-A financing was primarily attributable to the shipment of our first EFEM of our customer, which represented a major milestone of our Company; and (ii) the fluctuation in valuation between Series A financing and Series B financing was primarily attributable to the increase in the number of customers, purchase orders received and shipments made by our Group in relation to our semiconductor wafer transfer equipment. There were no material increments in our Company's valuation between (i) the Series Pre-A financing and Series A financing; (ii) the Series B financing and Series B+ financing; and (iii) the Series B+ financing and Series C financing.					
Strategic benefits of the Pre-**[REDACTED]** Investments	At the time of the Pre-**[REDACTED]** Investments, our Directors were of the view that our Company would benefit from the additional capital that would be provided by the Pre-**[REDACTED]** Investors' investments in our Company and the Pre-**[REDACTED]** Investors' knowledge and experience. Our Company is also of the view that the Pre-**[REDACTED]** Investors' investments demonstrated their confidence in our Group's operations and served as an endorsement of our Company's performance and strengths.					

Notes:

(1) The full settlement date represents the date on which the entire consideration of the relevant round of the Pre-**[REDACTED]** Investment was received by the Company.

(2) The cost per Share presented in the table has been adjusted to take into account the enlarged registered capital of our Company as a result of the Conversion and assuming the Share Subdivision is completed, to facilitate the illustration of discount to the **[REDACTED]**.

(3) The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H share (being the mid-point of the indicative of the **[REDACTED]** range).

(4) In December 2022, Li Bin entered into an equity transfer agreement with Nantong Zhiyuan Qihang Semiconductor Industry Investment Fund (Limited Partnership) (南通至遠啓行半導體產業投資基金(有限合夥)) ("**Nantong Zhiyuan**"), pursuant to which Li Bin transferred a registered capital of RMB251,067 in our Company to Nantong Zhiyuan at a consideration of RMB10.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on December 9, 2022 and is excluded from the total consideration paid set out in the above table. Subsequently, on December 31, 2025, Nantong Zhiyuan entered into an equity transfer agreement with Suzhou NRL Xincheng Equity Investment Partnership (Limited Partnership) (蘇州紐爾利新誠股權投資合夥企業(有限合夥)) ("**Suzhou NRL**"), pursuant to which Nantong Zhiyuan transferred a registered capital of RMB218,896 in our Company to Suzhou NRL at a consideration of RMB11.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on February 9, 2026 and is excluded from the total consideration paid set out in the above table.

On December 31, 2025, Li Bin entered into an equity transfer agreement with Suzhou NRL, pursuant to which Li Bin transferred a registered capital of RMB858,378 in our Company to Suzhou NRL at a consideration of RMB29.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on March 26, 2026 and is excluded from the total consideration paid set out in the above table.

(5) On August 12, 2022, Chen Min entered into an equity transfer agreement with Zhuhai Hongwei, pursuant to which Chen Min transferred a registered capital of RMB200,853 in our Company to Zhuhai Hongwei at a consideration of RMB8.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on August 24, 2022 and is excluded from the total consideration paid set out in the above table.

On August 12, 2022, Chen Min entered into an equity transfer agreement with Zibo Hongdao Equity Investment Partnership (Limited Partnership) (淄博鴻道股權投資合夥企業(有限合夥)) ("**Zibo Hongdao**"), pursuant to which Chen Min transferred a registered capital of RMB50,213 in our Company to Zibo Hongdao at a consideration of RMB2.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on August 24, 2022 and is excluded from the total consideration paid set out in the above table.

On December 31, 2025, Chen Min entered into an equity transfer agreement with Suzhou NRL, pursuant to which Chen Min transferred a registered capital of RMB134,659 in our Company to Suzhou NRL at a consideration of RMB5.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on March 26, 2026 and is excluded from the total consideration paid set out in the above table.

(6) On August 12, 2022, Wang Meijuan entered into an equity transfer agreement with Zhuhai Hongwei, pursuant to which Wang Meijuan transferred a registered capital of RMB125,533 in our Company to Zhuhai Hongwei at a consideration of RMB5.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on August 24, 2022 and is excluded from the total consideration paid set out in the above table.

(7) On August 12, 2022, Suzhou Yuanzhixin Venture Capital Partnership (Limited Partnership) (蘇州元之芯創業投資合夥企業(有限合夥)) ("**Suzhou Yuanzhixin**") entered into an equity transfer agreement with Yangzhou Qixin Xieli No. 1 Equity Investment Partnership (Limited Partnership) (揚州齊芯協力一號股權投資合夥企業(有限合夥)) ("**Yangzhou Qixin**"), pursuant to which Suzhou Yuanzhixin transferred a registered capital of RMB502,133 in our Company to Yangzhou Qixin at a consideration of RMB20.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on November 1, 2022 and is excluded from the total consideration paid set out in the above table.

(8) In March 2023, Suzhou Sanxing Zhiqi Venture Capital Partnership (Limited Partnership) (蘇州三行智祺創業投資合夥企業(有限合夥)) ("**Suzhou Sanxing Zhiqi**") entered into an equity transfer agreement with Suzhou Juyuan Zhenxin Equity Investment Partnership (Limited Partnership) (蘇州聚源振芯股權投資合夥企業(有限合夥)) ("**Suzhou Juyuan Zhenxin**"), pursuant to which Suzhou Sanxing Zhiqi transferred a registered capital of RMB800,000 in our Company to Suzhou Juyuan Zhenxin at a consideration of approximately RMB30.1 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on April 24, 2024 and is excluded from the total consideration paid set out in the above table.

(9) On December 31, 2025, Suzhou Zhongke Zhongxin Venture Capital Partnership (Limited Partnership) (蘇州中科中鑫創業投資合夥企業(有限合夥)) ("**Suzhou Zhongke Zhongxin**") entered into an equity transfer agreement with Suzhou NRL, pursuant to which Suzhou Zhongke Zhongxin transferred a registered capital of RMB134,659 in our Company to Suzhou NRL at a consideration of RMB5.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on February 9, 2026 and is excluded from the total consideration paid set out in the above table.

(10) On January 2022, Anji Jinzhan Enterprise Management Partnership (Limited Partnership) (安吉金湛企業管理合夥企業(有限合夥)) (formerly known as Anji Jinxuan Enterprise Management Partnership (Limited Partnership) (安吉金宣企業管理合夥企業(有限合夥))) ("**Anji Jinzhan**") entered into an equity transfer agreement with Shanghai Jinpu Intelligent, pursuant to which Anji Jinzhan transferred a registered capital of RMB728,000 in our Company to Shanghai Jinpu Intelligent at a consideration of RMB13.0 million, which was determined after arm's length negotiation of the parties. Such consideration was fully settled on March 23, 2022 and is excluded from the total consideration paid set out in the above table.

On April 12, 2023, Anji Jinzhan entered into an equity transfer agreement with Beijing Jiangfeng Tongchuang Semiconductor Industry Fund (Limited Partnership) (北京江豐同創半導體產業基金(有限合夥)) ("**Beijing Jiangfeng Tongchuang**") pursuant to which Anji Jinzhan transferred a registered capital of RMB301,280 in our Company to Beijing Jiangfeng Tongchuang at a consideration of approximately RMB11.3 million, which was determined after arm's length negotiations of the parties. Such consideration was fully settled on April 28, 2023 and is excluded from the total consideration paid set out in the above table.

On April 12, 2023, Anji Jinzhan entered into an equity transfer agreement with Konfoong Materials International Co., Ltd. (寧波江豐電子材料股份有限公司) ("**Konfoong Electronics**"), pursuant to which Anji Jinzhan transferred a registered capital of RMB90,720 in our Company to Konfoong Electronics at a consideration of approximately RMB3.4 million, which was determined after arm's length negotiations of the parties. Such consideration was fully settled on April 27, 2023 and is excluded from the total consideration paid set out in the above table. Upon completion of the series of equity transfer, Anji Jinzhan ceased to be our Shareholder.

Rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreement dated January 27, 2026 ("**Shareholders' Agreement**") and the existing memorandum and articles of association of our Company, certain Pre-**[REDACTED]** Investors have, among other rights, redemption rights, pre-emptive rights, anti-dilution rights, liquidation rights, Director appointment rights and information rights.

Pursuant to the Shareholders' special rights termination agreement dated May 27, 2026, the relevant redemption rights ceased to be exercisable one day before the first filing of the **[REDACTED]** application by our Company to the Stock Exchange ("**First Filing**"), provided that such right shall automatically resume and be deemed to have never ceased to be effective upon the earliest occurrence of any of the following events: (i) our Company voluntarily withdraws its **[REDACTED]** application or withdraws its filing with the CSRC after the **[REDACTED]** application has been acknowledged; (ii) the Stock Exchange, SFC or the CSRC refuses to accept, disapprove, rejects, dismisses or terminates the **[REDACTED]** application or the filing with the CSRC; or (iii) the Shares have not been **[REDACTED]** on the Stock Exchange by the expiry of the 24-month period commencing from the date of First Filing. All other shareholders' special rights granted under the foregoing documents will be automatically terminated upon **[REDACTED]** in accordance with the terms of the Shareholders' special rights termination agreement.

Information about our Pre-[REDACTED] Investors

Set out below is a description of our principal Pre-**[REDACTED]** Investors.

(i) Suzhou NRL

Suzhou NRL is a limited partnership established in the PRC on January 13, 2023, primarily engaged in equity investment, investment management and asset management through private funds, as well as venture capital investment. As of the Latest Practicable Date, the general partner of Suzhou NRL is Suzhou NRL Xindao Enterprise Management Co., Ltd. (蘇州紐爾利新道企業管理有限公司), which is ultimately controlled by Lin Xianghong (林向紅), an independent Third Party. As of the Latest Practicable Date, Suzhou NRL has 16 limited partners each holding not more than 20% partnership interest.

(ii) Suzhou Yuanzhixin

Suzhou Yuanzhixin is a limited partnership established in the PRC on August 5, 2020, primarily engaged in venture capital investment. As of the Latest Practicable Date, the general partner of Suzhou Yuanzhixin is Shenzhen VC share Fund Management Enterprise (Limited Partnership) (深圳風投俠基金管理企業(有限合夥)), which is ultimately controlled by Shao Haitao (邵海濤) and Zhang Guiyin (張桂銀), both Independent Third Parties. As of the Latest Practicable Date, Suzhou Yuanzhixin has 30 limited partners each holding not more than 30% partnership interest.

(iii) Shanghai Dingfeng Jiacheng and Guangzhou Dingfeng Xinneng (the "Dingfeng Entities")

Shanghai Dingfeng Jiacheng is a limited partnership established in the PRC on November 10, 2021, primarily engaged in equity investment, investment management and asset management through private funds. As of the Latest Practicable Date, the general partner of Shanghai Dingfeng Jiacheng is Shanghai Dingfeng Jiacheng Enterprise Management Partnership (Limited Partnership) (上海鼎峰嘉成企業管理合夥企業(有限合夥)). The general partner of Shanghai Dingfeng Jiacheng Enterprise Management Partnership (Limited Partnership) is Jiaxing Wuyuefeng Investment Management Co., Ltd (嘉興武岳峰投資管理有限公司), which is held as to 80% by Li Feng (李峰). The limited partner of Shanghai Dingfeng Jiacheng Enterprise Management Partnership (Limited Partnership) is Jiaxing Dingfeng Hezhi Investment Partnership Enterprise (Limited Partnership) (嘉興鼎峰合志投資合夥企業(有限合夥)), which holds approximately 24.1% of the partnership interest and is held as to 78.4% by Li Feng, an Independent Third Party. As of the Latest Practicable Date, Shanghai Dingfeng Jiacheng has 13 limited partners each holding not more than 30% partnership interest.

Guangzhou Dingfeng Xinneng Venture Capital Partnership Enterprise (Limited Partnership) (廣州鼎峰新能創業投資合夥企業(有限合夥)) ("**Guangzhou Dingfeng Xinneng**") is a limited partnership established in the PRC on September 18, 2023, primarily engaged in equity investment, investment management and asset management through private funds, as well as venture capital investment. As of the Latest Practicable Date, the general partner of Guangzhou Dingfeng Xinneng is Jiaxing Wuyuefeng Investment Management Co., Ltd (嘉興武岳峰投資管理有限公司), which is ultimately controlled by Li Feng (李峰), who is also the ultimate beneficial owner. As of the Latest Practicable Date, the limited partners of Guangzhou Dingfeng Xinneng include 10 limited partners each holding not more than 20% interest.

(iv) Huzhou Xinchuang Equity Investment Partnership (Limited Partnership) and Changxing Xingchang Chuangqiang Investment Partnership (Limited Partnership) (the "Zhejiang Entities")

Huzhou Xinchuang Equity Investment Partnership (Limited Partnership) (湖州信創股權投資合夥企業(有限合夥)) ("**Huzhou Xinchuang**") is a limited partnership established in the PRC on July 31, 2023, primarily engaged in equity investment. As of the Latest Practicable Date, the executive partner of Huzhou Xinchuang is Huzhou Innovation and Entrepreneurship Investment Co., Ltd. (湖州市創新創業投資有限公司), which is ultimately controlled by Huzhou Municipal People's Government State-owned Assets Supervision and Administration Commission. As of the Latest Practicable Date, the general partner of Huzhou Xinchuang is Zhejiang Chuangxin Private Equity Fund Management Co., Ltd. (浙江省創新投資私募基金管理有限公司), which is held as to 100% by Zhejiang Innovation Investment Group Co., Ltd. (浙江省創新投資集團有限公司). Zhejiang Innovation Investment Group Co., Ltd. is ultimately controlled by Zhejiang Provincial Department of Finance. As of the Latest Practicable Date, the limited partners of Huzhou Xinchuang are Huzhou Industrial Cooperation Enterprise Management Consulting Partnership (Limited Partnership) (湖州市產合企業管理諮詢合夥企業(有限合夥) with 69.97% partnership interest and Zhejiang Industry Fund Co., Ltd. (浙江省產業基金公司) with 29.99% partnership interest. Huzhou Industrial Cooperation Enterprise Management Consulting Partnership (Limited Partnership) is ultimately controlled by Huzhou Municipal People's Government State-owned Assets Supervision and Administration Commission.

Changxing Xingchang Chuangqiang Investment Partnership (Limited Partnership) (長興興長創强投資合夥企業(有限合夥)) ("**Changxing Xingchang Chuangqiang**") is a limited partnership established in the PRC on December 19, 2024, primarily engaged in venture capital investment. As of the Latest Practicable Date, the general partner of Changxing Xingchang Chuangqiang is Changxing Private Equity Fund Management Co., Ltd. (長興私募基金管理有限公司), which is ultimately controlled by Changxing County Finance Bureau. As of the Latest Practicable Date, the limited partners of Changxing Xingchang Chuangqiang include Changxing Industrial Investment Development Group Co., Ltd. (長興產業投資發展集團有限公司) with 49.99% partnership interest and four other limited partners each holding not more than 20% partnership interest. Changxing Industrial Investment Development Group Co., Ltd. is ultimately controlled by Changxing County Finance Bureau.

(v) Zhuhai Hongwei

Zhuhai Hongwei is a limited partnership established in the PRC on March 31, 2021, primarily engaged in equity investment and asset management through private funds. As of the Latest Practicable Date, the general partner of Zhuhai Hongwei is Zhuhai Hengqin New Area Zhuoxin Investment Enterprise (Limited Partnership) (珠海市橫琴新區卓芯投資企業 (有限合夥)), with 1.99% partnership interest, which is ultimately controlled by Huang Wei (黃偉), an Independent Third Party. As of the Latest Practicable Date, Zhuhai Hongwei has 15 limited partners each holding not more than 30% partnership interest.

(vi) Yangzhou Economic and Technological Development Zone Linxin Industry Investment Fund Partnership (Limited Partnership) and Yangzhou Linxin Optoelectronic Industry Fund (Limited Partnership) (the "Yangzhou Linxin Entities")

Yangzhou Economic and Technological Development Zone Linxin Industry Investment Fund Partnership (Limited Partnership) (揚州經濟技術開發區臨芯產業投資基金合夥企業(有限合夥)) ("**Yangzhou ETDZ Linxin**") is a limited partnership established in the PRC on July 12, 2022, primarily engaged in equity investment, investment management and asset management through private funds. As of the Latest Practicable Date, the general partner of Yangzhou ETDZ Linxin is Shanghai Sunic Capital Management Co., Ltd. (上海臨芯投資管理有限公司), which is ultimately controlled by Li Yajun (李亞軍), an Independent Third Party. As of the Latest Practicable Date, Yangzhou ETDZ Linxin has 16 limited partners each holding not more than 30% partnership interest.

Yangzhou Linxin Optoelectronic Industry Fund (Limited Partnership) (揚州臨芯光電產業基金(有限合夥)) ("**Yangzhou Linxin**") is a limited partnership established in the PRC on September 30, 2022, primarily engaged in private equity and venture capital fund management. As of the Latest Practicable Date, the general partner of Yangzhou Linxin is Shanghai Sunic Capital Management Co., Ltd. (上海臨芯投資管理有限公司), which is ultimately controlled by Li Yajun (李亞軍), an Independent Third Party. As of the Latest Practicable Date, the limited partners of Yangzhou Linxin include Yangzhou Guangling State-owned Assets Investment and Operation Co., Ltd. (揚州廣陵國有資產投資運營有限公司) with 40% partnership interest, Jiequan (Yangzhou) Entrepreneurship and Innovation Fund (Limited Partnership) (疌泉(揚州)創業創新基金(有限合夥)) with 30% partnership interest and four other limited partners each holding not more than 15% partnership interest. Yangzhou Guangling State-owned Assets Investment and Operation Co., Ltd. is ultimately controlled by Jiangsu Provincial People's Government. Jiequan (Yangzhou) Entrepreneurship and Innovation Fund (Limited Partnership) is ultimately controlled by Yangzhou Municipal Finance Bureau.

(vii) Suzhou Sanxing Zhiqi

Suzhou Sanxing Zhiqi is a limited partnership established in the PRC on October 13, 2017, primarily engaged in venture capital investment. As of the Latest Practicable Date, the general partner of Suzhou Sanxing Zhiqi is Suzhou Sanxing Zhiqi Capital Management Center (Limited Partnership) (蘇州三行智祺資本管理中心(有限合夥)). The general partner of Suzhou Sanxing Zhiqi Capital Management Center (Limited Partnership) is Beijing Triniti Capital Co., Ltd. (北京三行資本管理有限責任公司), which is ultimately controlled by Sun Dafei (孫達飛) and Lu Hai (陸海), both Independent Third Parties with 65% and 35% shareholding interests, respectively. As of the Latest Practicable Date, Suzhou Sanxing Zhiqi has 30 limited partners each holding not more than 30% partnership interest.

(viii) Suzhou Juyuan Zhenxin

Suzhou Juyuan Zhenxin is a limited partnership established in the PRC on June 2, 2022, primarily engaged in equity investment and venture capital investment. As of the Latest Practicable Date, the general partner of Suzhou Juyuan Zhenxin is Suzhou Juyuan Xinxin Enterprise Management Consulting Partnership (Limited Partnership) (蘇州聚源炘芯企業管理諮詢合夥企業(有限合夥)), which is owned as to 70% by China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司) and 30% by Gongqingcheng Xingxin Investment Partnership (Limited Partnership) (共青城興芯投資合夥企業(有限合夥)). China Fortune-Tech Capital Co., Ltd. is owned as to approximately 35% by Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)), with four other shareholders each holding not more than 20% interest. Shanghai Xinqi Investment Center (Limited Partnership) is ultimately controlled by Gao Yonggang (高永崗), an Independent Third Party. As of the Latest Practicable Date, Suzhou Juyuan Zhenxin has 22 limited partners each holding not more than 30% partnership interest.

(ix) Yangzhou Qixin

Yangzhou Qixin is a limited partnership established in the PRC on June 9, 2022, primarily engaged in equity investment and venture capital investment. As of the Latest Practicable Date, the general partner of Yangzhou Qixin is Beijing Qixin Investment Management Co., Ltd. (北京齊芯投資管理有限公司), which is ultimately controlled by You Wentao (尤文濤), an Independent Third Party. As of the Latest Practicable Date, Yangzhou Qixin has 16 limited partners each holding not more than 30% partnership interest.

(x) Shanghai Jinpu Intelligent

Shanghai Jinpu Intelligent is a limited partnership established in the PRC on October 29, 2021, primarily engaged in equity investment, investment management and asset management. As of the Latest Practicable Date, the general partners of Shanghai Jinpu Intelligent are Shanghai Jiexin Enterprise Management Partnership (Limited Partnership) (上海頡炘企業管理合夥企業(有限合夥)) and Shanghai Jietong Enterprise Management Partnership (Limited Partnership) (上海頡彤企業管理合夥企業(有限合夥)). Shanghai Jiexin Enterprise Management Partnership (Limited Partnership) is ultimately controlled by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會). Shanghai Jietong Enterprise Management Partnership (Limited Partnership) is ultimately controlled by Tian Huafeng (田華峰), an Independent Third Party. As of the Latest Practicable Date, Shanghai Jinpu Intelligent has 25 limited partners each holding not more than 20% partnership interest.

(xi) Beijing Jiangfeng Tongchuang

Beijing Jiangfeng Tongchuang is a limited partnership established in the PRC on April 2, 2022, primarily engaged in equity investment, investment management and asset management through private funds. As of the Latest Practicable Date, the general partner of Beijing Jiangfeng Tongchuang is Beijing Tongchuang Purun Technology Center (Limited Partnership) (北京同創普潤科技中心(有限合夥)), which is ultimately controlled by Yao Lijun (姚力軍), an Independent Third Party. As of the Latest Practicable Date, Beijing Jiangfeng Tongchuang has 13 limited partners each holding not more than 30% partnership interest.

(xii) Huzhou CICC Qihe Equity Investment Partnership (Limited Partnership)

Huzhou CICC Qihe Equity Investment Partnership (Limited Partnership) (湖州中金啓合股權投資合夥企業(有限合夥)) ("**Huzhou CICC Qihe**") is a limited partnership established in the PRC on October 12, 2021, primarily engaged in equity investment. As of the Latest Practicable Date, the general partner of Huzhou CICC Qihe is CICC Private Equity Investment Management Co., Ltd. (中金私募股權投資管理有限公司), which is ultimately controlled by State Council of the People's Republic of China. As of the Latest Practicable Date, the limited partners of Huzhou CICC Qihe are Huzhou Industrial Fund Investment Co., Ltd. (湖州市產業基金投資有限公司) and Huzhou Innovation and Entrepreneurship Investment Co., Ltd. (湖州市創新創業投資有限公司), with 98% and 1% partnership interests, respectively. Huzhou Industrial Fund Investment Co., Ltd. is ultimately controlled by Huzhou Municipal People's Government State-owned Assets Supervision and Administration Commission.

(xiii) Gongqingcheng Changsheng Xiaoman Equity Investment Partnership (Limited Partnership) and Gongqingcheng Changsheng Guyu Equity Investment Partnership (Limited Partnership) (the "Gongqingcheng Changsheng Entities")

Gongqingcheng Changsheng Xiaoman Equity Investment Partnership (Limited Partnership) (共青城昌盛小滿股權投資合夥企業(有限合夥)) ("**Gongqingcheng Changsheng Xiaoman**") is a limited partnership established in the PRC on June 19, 2023, primarily engaged in equity investment, investment management and asset management through private funds. As of the Latest Practicable Date, the general partner of Gongqingcheng Changsheng Xiaoman is Shanxi Yongchangsheng Equity Investment Management Co., Ltd. (山西永昌盛股權投資管理有限公司), which is ultimately controlled by Zhang Jinhua (張晉花), an Independent Third Party. As of the Latest Practicable Date, the limited partners of Gongqingcheng Changsheng Xiaoman include Ren Yao (任耀) with 36.6% partnership interest and four other limited partners each holding not more than 25% partnership interest. Ren Yao is an Independent Third Party.

Gongqingcheng Changsheng Guyu Equity Investment Partnership (Limited Partnership) (共青城昌盛穀雨股權投資合夥企業(有限合夥)) ("**Gongqingcheng Changsheng Guyu**") is a limited partnership established in the PRC on December 30, 2021, primarily engaged in equity investment, investment management and asset management through private funds. As of the Latest Practicable Date, the general partner of Gongqingcheng Changsheng Guyu is Shanxi Yongchangsheng Equity Investment Management Co., Ltd. (山西永昌盛股權投資管理有限公司), which is ultimately controlled by Zhang Jinhua (張晉花). As of the Latest Practicable Date, the limited partners of Gongqingcheng Changsheng Guyu include Gongqingcheng Yongchangsheng No. 6 Equity Investment Partnership (Limited Partnership) (共青城永昌盛陸號股權投資合夥企業(有限合夥)) with 58.5% partnership interest and three other limited partners each holding not more than 20% partnership interest. Gongqingcheng Yongchangsheng No. 6 Equity Investment Partnership (Limited Partnership) is ultimately controlled by Zhang Jinhua, an Independent Third Party.

(xiv) Wuxi Zhenghai Yuanyu

Wuxi Zhenghai Yuanyu is a limited partnership established in the PRC on September 15, 2021, primarily engaged in venture capital investment. As of the Latest Practicable Date, the general partner of Wuxi Zhenghai Yuanyu is Shanghai Royalsea Capital Management Ltd. (上海正海資產管理有限公司), which is ultimately controlled by Wang Zhengdong (王正東), an Independent Third Party. As of the Latest Practicable Date, the limited partners of Wuxi Zhenghai Yuanyu are Advanced Micro-Fabrication Equipment Inc. China (中微半導體設備(上海)股份有限公司) and Shanghai Baifeng Enterprise Management Center (Limited Partnership) (上海鋇灃企業管理中心(有限合夥)), with 98.46% and 0.77% partnership interests, respectively. The shares of Advanced Micro-Fabrication Equipment Inc. China is listed on the Shanghai Stock Exchange (stock code: 688012).

(xv) Suzhou Zhongke Zhongxin

Suzhou Zhongke Zhongxin is a limited partnership established in the PRC on May 10, 2021, primarily engaged in venture capital investment. As of the Latest Practicable Date, the general partner of Suzhou Zhongke Zhongxin is Suzhou Zhongke Xin Microelectronics Investment Center (Limited Partnership) (蘇州中科鑫微電子投資中心(有限合夥)), which is ultimately controlled by Xu Qiang (許強), an Independent Third Party. As of the Latest Practicable Date, the limited partners of Suzhou Zhongke Zhongxin include Suzhou Chinese Consortium Holdings Co., Ltd. (蘇州中方財團控股股份有限公司) with 30% partnership interest and five other limited partners each holding not more than 20% partnership interest. Suzhou Chinese Consortium Holdings Co., Ltd. is ultimately controlled by the Suzhou Industrial Park Management Committee.

(xvi) Shenzhen Tianxia Future Investment Enterprise (Limited Partnership)

Shenzhen Tianxia Future Investment Enterprise (Limited Partnership) (深圳天下未來投資企業(有限合夥)) ("**Shenzhen Tianxia Future**") is a limited partnership established in the PRC on September 16, 2019, primarily engaged in investment and the establishment of industrial enterprises. As of the Latest Practicable Date, the general partner of Shenzhen Tianxia Future is Shenzhen Zhaoheng Hydropower Fund Management Co., Ltd. (深圳兆恒水電基金管理有限公司), which was ultimately controlled by Xu Zeying (徐澤瀅), an Independent Third Party. As of the Latest Practicable Date, the limited partners of Shenzhen Tianxia Future include Zhang Jie (張潔) with 57.1% partnership interest and five other limited partners each holding not more than 30% partnership interest. Zhang Jie is an Independent Third Party.

(xvii) Nantong Huada Microelectronics Group Co., Ltd.

Nantong Huada Microelectronics Group Co., Ltd. (南通華達微電子集團股份有限公司) ("**Nantong Huada**") was established in the PRC on October 11, 1990, primarily engaged in the manufacturing and sale of semiconductor electronic products. As of the Latest Practicable Date, Nantong Huada is owned as to 39.1% by Shi Mingda (石明達), with the remaining interests held by 27 other shareholders, each holding not more than 10% interest. Shi Mingda is an Independent Third Party.

(xviii) West Shanghai Automotive

West Shanghai Automotive was established in the PRC on July 15, 2002, primarily engaged in automotive logistics services and the research, production and sale of automotive components. The shares of West Shanghai Automotive are listed on the Shanghai Stock Exchange (stock code: 605151).

(xix) Gongqingcheng Hesheng Xinyuan Equity Investment Partnership (Limited Partnership)

Gongqingcheng Hesheng Xinyuan Equity Investment Partnership (Limited Partnership) (共青城合盛芯源股權投資合夥企業(有限合夥)) ("**Gongqingcheng Hesheng Xinyuan**") is a limited partnership established in the PRC on September 8, 2021, primarily engaged in equity investment, project investment and industrial investment. As of the Latest Practicable Date, the general partner of Gongqingcheng Hesheng Xinyuan is Zhong He Sheng Capital Management Co., Ltd. (中合盛資本管理有限公司), which is ultimately controlled by Shanxi Provincial Department of Finance. As of the Latest Practicable Date, Gongqingcheng Hesheng Xinyuan has 11 limited partners each holding not more than 30% partnership interest.

(xx) Konfoong Electronics

Konfoong Electronics was established in the PRC on April 14, 2005, primarily engaged in the research, development, manufacturing and sale of ultra-high purity metal sputtering targets and precision components for semiconductors. The shares of Konfoong Electronics is listed on the Shenzhen Stock Exchange (stock code: 300666).

(xxi) Zibo Hongdao

Zibo Hongdao is a limited partnership established in the PRC on July 7, 2021, primarily engaged in equity investment, investment management and asset management. As of the Latest Practicable Date, the general partner of Zibo Hongdao is Shanghai Wanghong Investment Management Co., Ltd. (上海旺鴻投資管理有限公司), which is ultimately controlled by Chen Yuan (陳淵). As of the Latest Practicable Date, the limited partners of Zibo Hongdao are Li Jin (李進) and Shanghai Wanghong Investment Management Co., Ltd. (上海旺鴻投資管理有限公司), with 99.2% and 0.8% partnership interests, respectively. Both Chen Yuan and Li Jin are Independent Third Parties.

(xxii) Nantong Zhiyuan

Nantong Zhiyuan is a limited partnership established in the PRC on February 24, 2022, primarily engaged in equity investment and venture capital investment. As of the Latest Practicable Date, the general partner of Nantong Zhiyuan is Shanghai Zhiyan Private Equity Fund Management Co., Ltd. (上海至衍私募基金管理有限公司), which is wholly owned by PNC Process Systems Co., Ltd. (上海至純潔淨系統科技股份有限公司), an Independent Third Party. The shares of PNC Process Systems Co., Ltd. are listed on the Shanghai Stock Exchange (stock code: 603690). As of the Latest Practicable Date, the limited partners of Nantong Zhiyuan are PNC Process Systems Co., Ltd. with 50.2% partnership interest, and two other limited partners each holding not more than 30% partnership interests.

To the best knowledge and information of the Company, all the Pre-**[REDACTED]** Investors and their respective ultimate beneficial owners are Independent Third Parties.

COMPLIANCE WITH THE GUIDE

On the basis that (i) the considerations for the Pre-**[REDACTED]** Investments have been irrevocably settled at least 28 clear days prior to the date of the first submission of our Company's **[REDACTED]** application to the Stock Exchange; and (ii) the special rights granted to the Pre-**[REDACTED]** Investors will be suspended upon filing of a **[REDACTED]** application and/or shall cease to be effective and be discontinued prior to the **[REDACTED]**, the Sole Sponsor confirms that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide.

COMPLIANCE WITH PRC LAWS AND REGULATION

Our PRC Legal Advisors confirmed that the Group has obtained and completed all material regulatory approvals, filings and registrations in relation to the equity transfers, conversion into joint stock limited company and the capital increases as described in this section.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the **[REDACTED]**, all existing Shareholders (including our Pre-**[REDACTED]** Investors) are prohibited from disposing of any of the Shares held by them.

PUBLIC FLOAT

Based on an **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per H Share, being the low-end, mid-point and high-end of the **[REDACTED]** range respectively, the minimum public float percentage threshold under Rule 19A.13A(1) is 25%, 25% and 25% respectively.

Apart from the **[REDACTED]** Shares controlled by Ms. Ye upon completion of the Share Subdivision to be converted from the Unlisted Shares, all the H Shares will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) and Conversion of the Unlisted Shares into H Shares.

In light of the above, upon completion of the Share Subdivision, the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, an aggregate of **[REDACTED]** H Shares or approximately **[REDACTED]**% of the total issued share capital of our Company (assuming the **[REDACTED]** is not exercised) will be counted towards the public float upon the **[REDACTED]**. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

[REDACTED]

OUR CAPITALIZATION

The shareholding structure of our Company is set forth below.

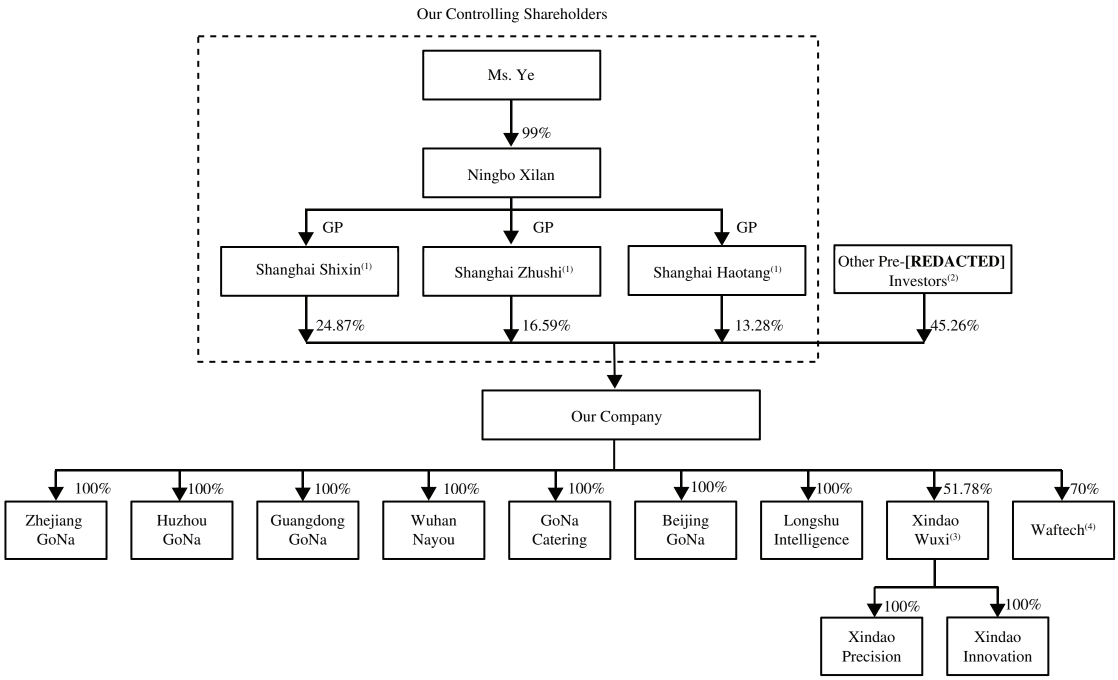
	As of the Latest Practicable Date		Immediately upon the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares assuming the [REDACTED] is not exercised	
Shareholder	**Number of Shares**	**Shareholding percentage**	**Number of H Shares**	**Shareholding percentage**
Controlling Shareholders				
Shanghai Shixin	8,990,908	24.87%	**[REDACTED]**	**[REDACTED]**
Shanghai Zhushi	6,000,000	16.59%	**[REDACTED]**	**[REDACTED]**
Shanghai Haotang	4,800,000	13.28%	**[REDACTED]**	**[REDACTED]**
Sub-total	19,790,908	54.74%	**[REDACTED]**	**[REDACTED]**
Suzhou NRL	2,183,493	6.04%	**[REDACTED]**	**[REDACTED]**
Suzhou Yuanzhixin	1,097,867	3.04%	**[REDACTED]**	**[REDACTED]**
Dingfeng Entities				
Shanghai Dingfeng Jiacheng	714,574	1.98%	**[REDACTED]**	**[REDACTED]**
Guangzhou Dingfeng Xinneng	334,761	0.93%	**[REDACTED]**	**[REDACTED]**
Sub-total	1,049,335	2.91%	**[REDACTED]**	**[REDACTED]**
Zhejiang Entities				
Huzhou Xinchuang	502,141	1.39%	**[REDACTED]**	**[REDACTED]**
Changxing Xingchang Chuangqiang	502,141	1.39%	**[REDACTED]**	**[REDACTED]**
Sub-total	1,004,282	2.78%	**[REDACTED]**	**[REDACTED]**
Zhuhai Hongwei	971,435	2.69%	**[REDACTED]**	**[REDACTED]**
Yangzhou Linxin Entities				
Yangzhou ETDZ Linxin	695,262	1.92%	**[REDACTED]**	**[REDACTED]**
Yangzhou Linxin	199,453	0.55%	**[REDACTED]**	**[REDACTED]**
Sub-total	894,715	2.47%	**[REDACTED]**	**[REDACTED]**
Chen Min	844,275	2.34%	**[REDACTED]**	**[REDACTED]**
Suzhou Sanxing Zhiqi	840,000	2.32%	**[REDACTED]**	**[REDACTED]**
Suzhou Juyuan Zhenxin	800,000	2.21%	**[REDACTED]**	**[REDACTED]**
Wang Meijuan	792,467	2.19%	**[REDACTED]**	**[REDACTED]**
Yangzhou Qixin	733,887	2.03%	**[REDACTED]**	**[REDACTED]**
Shanghai Jinpu Intelligent	727,999	2.01%	**[REDACTED]**	**[REDACTED]**
Beijing Jiangfeng Tongchuang	700,186	1.94%	**[REDACTED]**	**[REDACTED]**
Huzhou CICC Qihe	669,521	1.85%	**[REDACTED]**	**[REDACTED]**

Shareholder	As of the Latest Practicable Date		Immediately upon the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares assuming the [REDACTED] is not exercised	
	Number of Shares	**Shareholding percentage**	**Number of H Shares**	**Shareholding percentage**
Gongqingcheng Changsheng Entities				
Gongqingcheng Changsheng Xiaoman	398,906	1.10%	**[REDACTED]**	**[REDACTED]**
Gongqingcheng Changsheng Guyu	199,453	0.55%	**[REDACTED]**	**[REDACTED]**
Sub-total	598,359	1.65%	**[REDACTED]**	**[REDACTED]**
Wuxi Zhenghai Yuanyu	455,893	1.26%	**[REDACTED]**	**[REDACTED]**
Suzhou Zhongke Zhongxin	425,341	1.18%	**[REDACTED]**	**[REDACTED]**
Li Bin	390,555	1.08%	**[REDACTED]**	**[REDACTED]**
Shenzhen Tianxia Future	280,000	0.77%	**[REDACTED]**	**[REDACTED]**
Nantong Huada	280,000	0.77%	**[REDACTED]**	**[REDACTED]**
West Shanghai Automotive	251,067	0.69%	**[REDACTED]**	**[REDACTED]**
Gongqingcheng Hesheng Xinyuan	199,453	0.55%	**[REDACTED]**	**[REDACTED]**
Konfoong Electronics	90,720	0.25%	**[REDACTED]**	**[REDACTED]**
Zibo Hongdao	50,213	0.14%	**[REDACTED]**	**[REDACTED]**
Nantong Zhiyuan	32,171	0.09%	**[REDACTED]**	**[REDACTED]**
[REDACTED] taking part in the **[REDACTED]**	–	–	**[REDACTED]**	**[REDACTED]**
Total	36,154,142	100%	**[REDACTED]**	100%

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Immediately Prior to the [REDACTED] and as of the Latest Practicable Date

The following chart illustrates the simplified shareholding structure of our Group immediately before the completion of the **[REDACTED]** and as of the Latest Practicable Date:



Notes:

(1) Each of Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang are controlled by Ningbo Xilan as general partner. Ningbo Xilan is owned as to 99% by Ms. Ye.

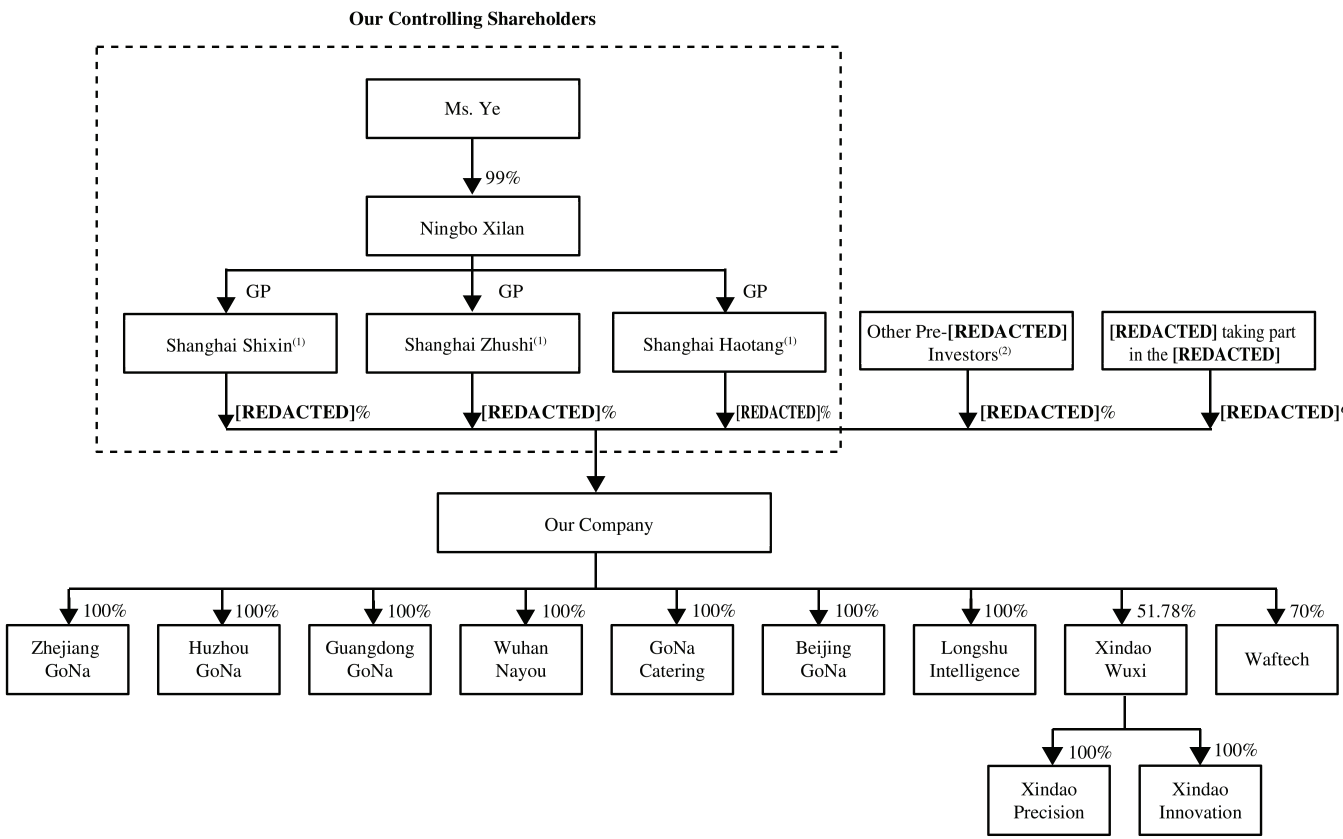
(2) For details of the shareholding of the other Pre-**[REDACTED]** Investors, see "—Our Capitalization" in this section.

(3) As of the Latest Practicable Date, Xindao Wuxi is owned as to 51.78% by our Company, with the remaining interests held by three other shareholders, namely Beijing Hechuangda Information Consulting Center (Limited Partnership) (北京合創達信息諮詢中心(有限合夥)) holding approximately 29.5% equity interest, Zhang Qingzhao (張慶釗) holding approximately 13.6% equity interest and Beijing Gongchuangda Information Consulting Center (Limited Partnership) (北京共創達信息諮詢中心(有限合夥)) holding 5.2% equity interest. Beijing Hechuangda Information Consulting Center (Limited Partnership) and Beijing Gongchuangda Information Consulting Center (Limited Partnership) are ultimately controlled by Zhang Qingzhao (張慶釗).

(4) As of the Latest Practicable Date, Waftech is owned as to approximately 70% by our Company, 18.3% by Chan Boon Lin and 11.7% by Ho Yuh Cin.

Immediately Following the [REDACTED]

The following chart illustrates the simplified shareholding structure of our Group immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Notes:

See the notes in "—Immediately Prior to the **[REDACTED]** and as of the Latest Practicable Date" above.

VISION

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

OVERVIEW

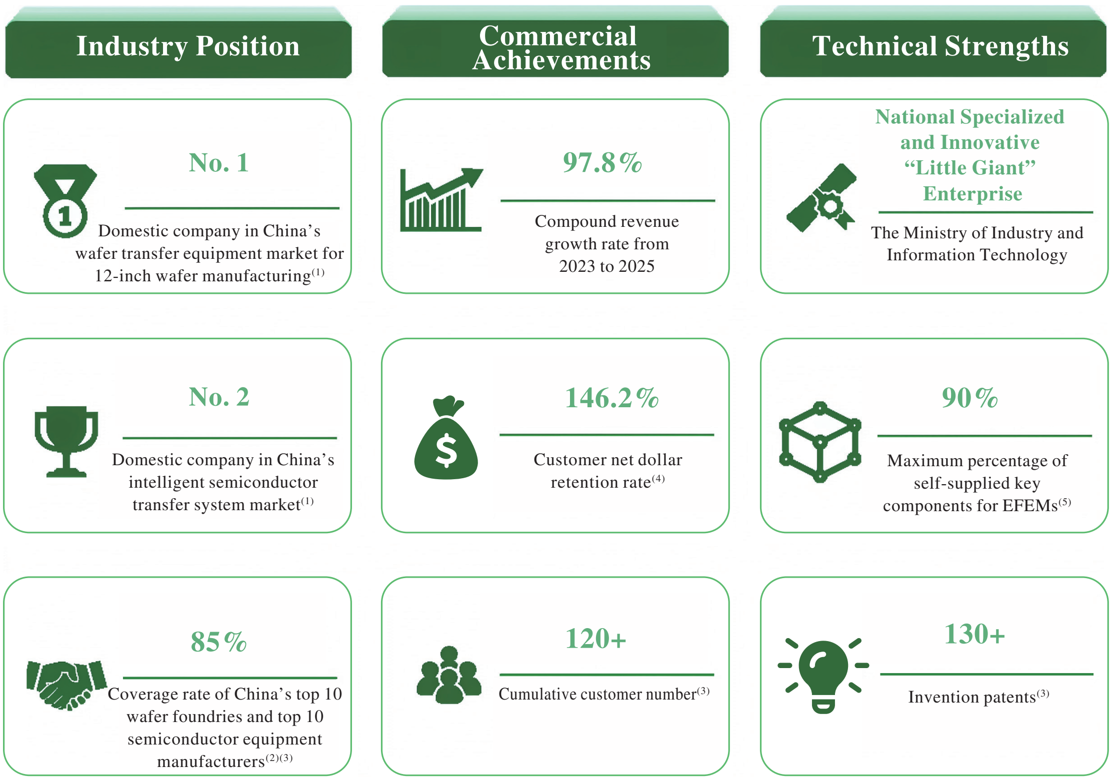
Who We Are

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

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

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

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



Notes:

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

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

(3) As of December 31, 2025.

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

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

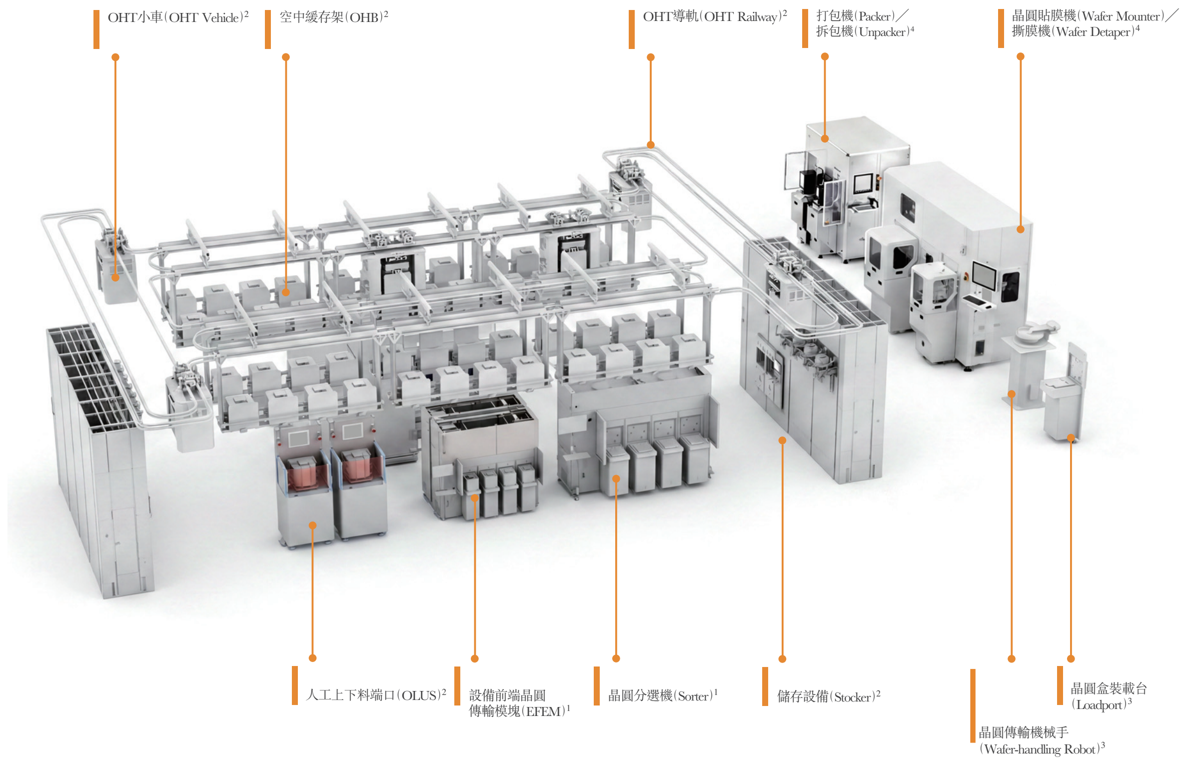
Our Market Opportunities

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

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

Our Products and Services

The following diagram demonstrates our product portfolio:



Notes:

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

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

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

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

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

Details of our products and services are set forth below:

Wafer Transfer Equipment

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

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

Automated Material Handling Systems (AMHS)

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

Semiconductor Packaging Automation Equipment

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

Technical Services and Others

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

Intelligent Controls Software

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

Our Financial Performance

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

OUR COMPETITIVE STRENGTHS

A Leading China-based Provider of Intelligent Semiconductor Transfer System

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

Aligned with the Trend Toward Localization and Technological Self-Reliance

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

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

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

Proprietary Technology Advantages Through Technological Innovation and R&D

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

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

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

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

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

Wafer Transfer Equipment

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

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

AMHS

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

Versatile Product Portfolio Addressing Diverse Customer Needs

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

Core Product Performance Benchmarked Against International Standards

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

High Cleanliness Standards

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

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

Excellent Transfer Performance

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

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

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

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

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

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

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

Visionary and Experienced Management Team

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

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

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

OUR GROWTH STRATEGIES

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

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

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

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

Strengthen Our Talent Base

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

Accelerate Global Expansion

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

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

Pursue Strategic Investments and Acquisitions

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

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

Deepen Vertical Integration Across R&D and Industrialization

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

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

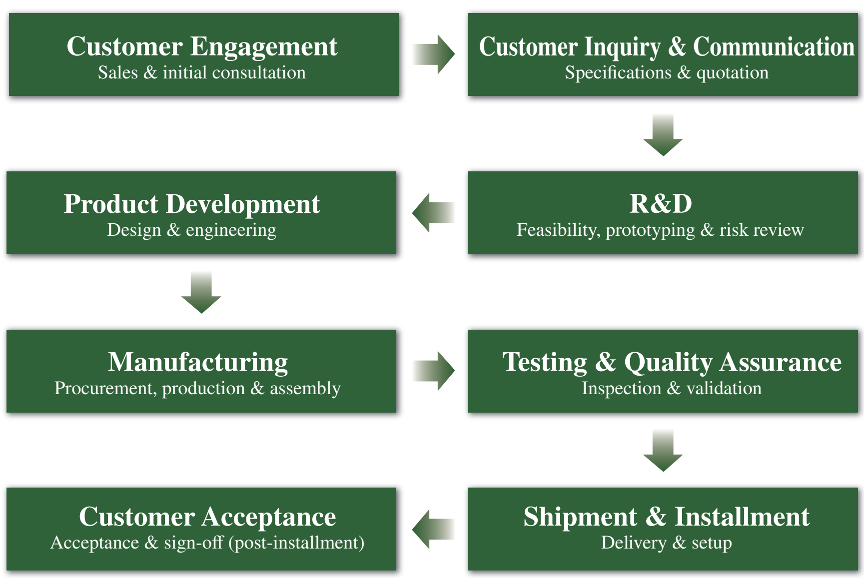
OUR BUSINESS MODEL

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

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

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

The following chart illustrates our business process:



REVENUE MODEL

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

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

Notes:

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

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

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

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

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

OUR PRODUCTS AND SERVICES

Wafer Transfer Equipment

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

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

EFEM

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

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

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

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

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

The following table sets forth our representative EFEMs:



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

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

Sorter

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

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

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

The following table sets forth our representative sorters:

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

Wafer Transfer Equipment Control Software

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

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

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

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

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

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

AMHS (Automated Material Handling System)

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

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

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

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

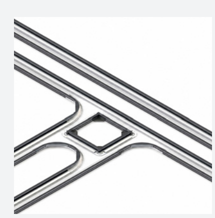
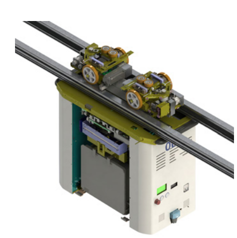
(iii) Software systems mainly consist of proprietary (a) main control processor (MCP); (b) zone control unit; and (c) simulation system.

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

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

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

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

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

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

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

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

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

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

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

(i) Transport job management and execution;

(ii) Material tracking and identification;

(iii) Integration and coordination;

(iv) Monitoring, optimization, and reporting; and

(v) Efficiency and safety enhancements.

Semiconductor Packaging Automation Equipment

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

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

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

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

Technical Services and Others

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

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

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

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

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

MANUFACTURING

Overview

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

Our Manufacturing Bases

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

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

Notes:

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

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

Haining manufacturing base

Shanghai manufacturing base

Malaysia manufacturing base

Our Manufacturing Capacity

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

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

Notes:

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

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

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

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

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

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

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

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

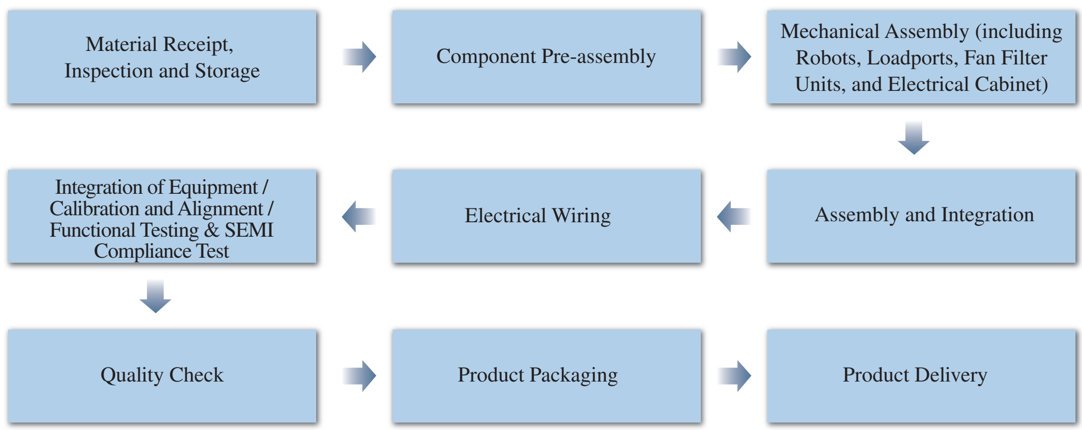
(9) We completed the acquisition of Waftech in December 2023. See "History, Development and Corporate Structure —Major Acquisitions, Disposals and Mergers—Acquisition of Waftech."

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

Our Manufacturing Process

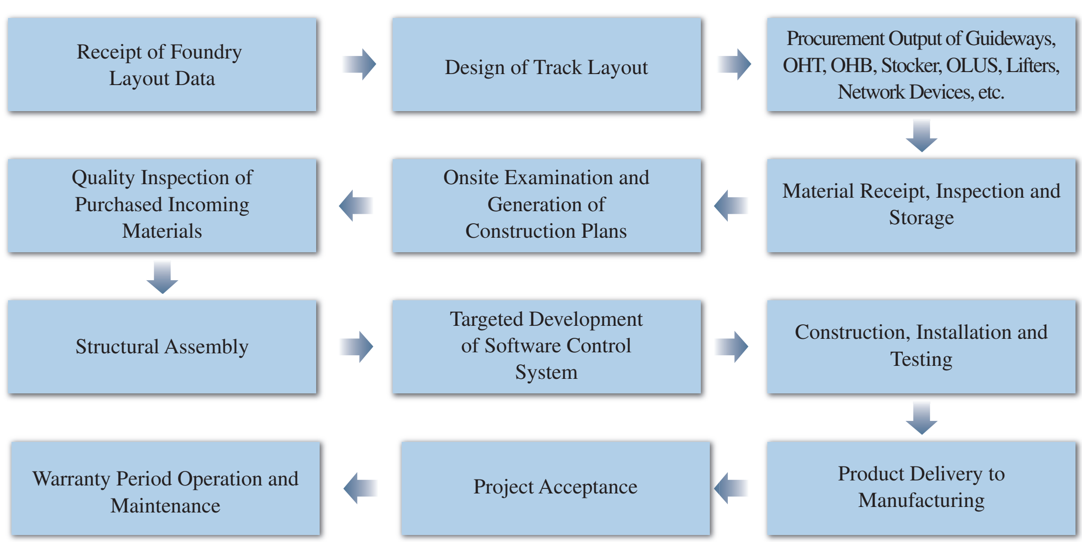
Manufacturing of semiconductor transfer equipment, AMHS, and semiconductor packaging automation equipment involve a series of complex and precisely controlled process steps that transform raw materials and other components into fully functional equipment. The manufacturing cycle typically ranges from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

EFEM/Sorter/Semiconductor Packaging Automation Equipment



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

AMHS



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

Manufacturing Management

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

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

QUALITY CONTROL

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

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

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

OUR KEY TECHNOLOGIES

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

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

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

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

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

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

RESEARCH AND DEVELOPMENT

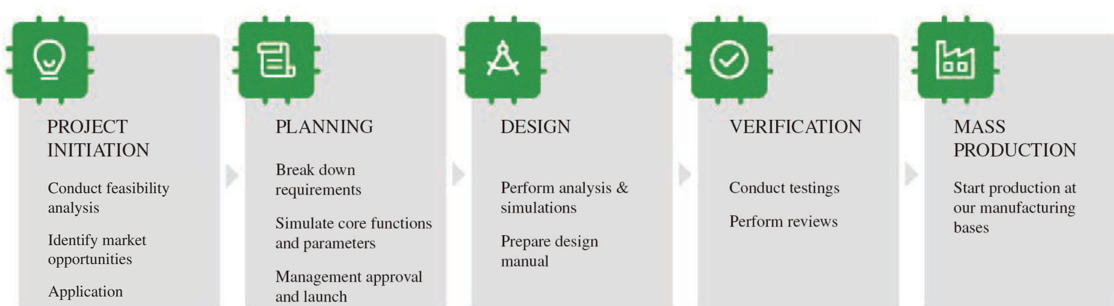
R&D are fundamental to sustaining our market-leading position and driving long-term growth, enabling us to respond to the evolving requirements of wafer manufacturing in a timely manner. We focus on in-house development of core technologies.

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

Our R&D Mechanism

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

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



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

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

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

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

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

Key R&D Projects

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

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

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

SALES AND MARKETING

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

Sales Model

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

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

Pricing

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

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

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

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

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

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

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

After-sales Services

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

Marketing Strategies

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

OUR CUSTOMERS

Major Customers

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

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

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

Notes:

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

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

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

Top Customers During the Track Record Period

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

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

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

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

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

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

Salient Terms of Agreements with Customers

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

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

Relationship with Major Customer(s)

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

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

OUR SUPPLIERS

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

Top Suppliers During the Track Record Period

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

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

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

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

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

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

Salient Terms of Agreements with Suppliers

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

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

Supply Chain Management

Procurement of Raw Material and Other Components

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

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

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

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

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

Inventory Management

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

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

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

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

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

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

INTRA-GROUP TRANSACTIONS

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

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

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

BUSINESS SUSTAINABILITY

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

Early Efforts to Lay the Groundwork

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

Rapid and Sustainable Development during the Track Record Period

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

Analysis of Historical Losses

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

Path to Profitability

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

Achieving Sustained Growth in Revenue

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

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

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

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

Optimizing Cost Structure and Enhancing Operational Efficiency

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

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

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

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

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

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

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

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

INTELLECTUAL PROPERTY RIGHTS

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

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

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

DATA SECURITY AND PRIVACY

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

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

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

COMPETITION

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

EMPLOYEES

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

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

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

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

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

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

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

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

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

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

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

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

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

INSURANCE

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

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

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

ESG Governance

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

ESG Materiality Assessment

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

Climate Change Risk Management

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

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

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

Note:

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

Environmental Indicators and Management

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

Emissions and Waste Management

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

Resource Consumption

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

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

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

Social Indicators and Management

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

Employment

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

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

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

Staff Development and Training

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

Supply Chain Management

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

Product Responsibility

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

Intellectual Property Protection

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

Community and Public Goods

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

Privacy and Data Security

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

Anti-Corruption and Business Ethics

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

PROPERTIES

Owned Properties

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

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

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

Leased/Rented Properties

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

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

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

Manufacturing Premises in Malaysia

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

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

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

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

Office Premises in Malaysia

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

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

QUALIFICATIONS, APPROVALS AND PERMITS

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

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

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

Regulatory Compliance

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

Financial Management

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

Compliance Management

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

Intellectual Property Management

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

Human Resource Management

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

AWARDS AND RECOGNITIONS

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

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

OVERVIEW

Our Board currently consists of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The Directors serve for a term of three years and shall be subject to re-election upon retirement. Our Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our general meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. Our Board also assumes the responsibilities for developing and reviewing the policies and practices of the Company on corporate governance, risk management, internal control and compliance with legal and regulatory requirements.

The senior management currently consists of four members who are responsible for our day-to-day management and operation.

DIRECTORS

The following table sets forth the key information about the Directors as at the Latest Practicable Date.

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining our Group	Relationship with other Directors and senior management
Ms. Ye Ying . .	61	Executive Director, Chairlady and chief executive officer	Responsible for the overall strategy planning and making key business and operational decisions of our Group	June 2020	June 2020	Mother of Mr. Stephen Jin
Mr. Gong Liguang. . .	63	Executive Director	Responsible for the management of the supply chain and manufacturing of Waftech	December 2020	December 2020	None
Dr. Gao Huixia (高慧霞) . .	41	Executive Director, secretary to our Board and joint company secretary	Responsible for secretarial matters of the Board, legal and intellectual property matters of our Group	December 2025	July 2021	None
Ms. Zhang Qian (張倩). . . .	46	Non-executive Director	Supervising the management of our Company and providing professional opinion and judgment to our Board	December 2020	December 2020	None
Mr. Zhang Tong (張彤). . . .	55	Non-executive Director	Supervising the management of our Company and providing professional opinion and judgment to our Board	December 2025	December 2025	None

Name	Age	Position	Responsibilities	Date of the first appointment as a Director	Date of joining our Group	Relationship with other Directors and senior management
Mr. Stephen Jin	27	Non-executive Director	Responsible for providing professional opinion and judgment to our Board	March 2026	March 2026	Son of Ms. Ye
Mr. Ni Weixin (倪偉新)	67	Independent Non-executive Director	Responsible for supervising and offering independent judgment to our Board	December 2025	December 2025	None
Dr. Huang Jiandong (黃建冬)	48	Independent Non-executive Director	Responsible for supervising and offering independent judgment to our Board	March 2026	March 2026	None
Mr. Li Kwok Tai James (李國泰)	58	Independent Non-executive Director	Responsible for supervising and offering independent judgment to our Board	March 2026	March 2026	None

Executive Directors

Ms. Ye Ying, aged 61, was appointed as our executive Director in June 2020. She is primarily responsible for the overall strategy planning and making key business and operational decisions of our Group. Ms. Ye currently holds the following positions in our Group:

Name of the companies	Position	Date of appointment
Zhejiang GoNa	Director and general manager	January 2022
Waftech	Director and chief executive officer	December 2023
Guangdong GoNa	Director	November 2024
GoNa Catering	Director	December 2024
Xindao Wuxi	Director	July 2025
Huzhou GoNa	Director and general manager	December 2025
Longshu Intelligence	Director	February 2026
Beijing GoNa	Director and general manager	April 2026
Wuhan Nayou	Director	April 2026

Ms. Ye has over 20 years of experience in the semiconductor industry. Prior to joining our Group, Ms. Ye served as the human resources manager of Semiconductor Manufacturing International (Shanghai) Corporation (中芯國際集成電路製造(上海)有限公司), a company that primarily engaged in the manufacturing and distribution of integrated circuits, from October 2002 to June 2005. She then served as the human resources manager of the Shanghai Office of Chartered Semiconductor Manufacturing, Inc. (later acquired by GlobalFoundries Inc.), a Singaporean semiconductor company, from June 2005 to March 2007; the deputy general manager of Hefei Brite Technology Co., Ltd. (合肥燦芯科技有限公司), a company primarily engaged in the design and research and development of integrated circuits and software, from March 2017 to December 2017; the special assistant to the chairman of Xinen (Qingdao) Integrated Circuit Co., Ltd. (芯恩(青島)集成電路有限公司), a company that primarily engaged in the development and design of integrated circuit chips, from June 2018 to October 2018; and a deputy general manager of Shanghai Precision Measurement Semiconductor Technology, Inc. (上海精測半導體技術有限公司), a company primarily engaged in the research and development, production and sales of semiconductor metrology and inspection equipment, from October 2018 to January 2021.

Ms. Ye obtained a master's degree in business administration from University of Bridgeport in the United States in August 1998. She was also named as one of the 2026 Forbes China Pioneer Innovators in Industry Development (2026 福布斯中國行業發展領創者) in March 2026.

Mr. Gong Liguang, aged 63, was appointed as our executive Director in December 2020 and was re-designated as an executive Director in April 2024. He is primarily responsible for the management of the supply chain and manufacturing of Waftech. Mr. Gong is also the chief operating officer of Waftech since July 2025.

Mr. Gong has extensive experience in the semiconductor and electronics industry. Prior to joining our Group, Mr. Gong served at Therma-Wave, Inc. (later acquired and integrated into Kla-Tencor Corporation), a company engaged in the development, manufacturing and sale of process control and metrology systems for use in the manufacture of semiconductors and as a mechanical engineering manager of Oplink Communications, Inc., a leading supplier of optical networking components, intelligent modules and subsystems. He then served at Enrich Solar Co., Ltd. (英萊新能(上海)有限公司), a company primarily engaged in the research, development and manufacturing of thin-film photovoltaic solar cell equipment, from July 2011 to March 2018; and an operations vice general manager of Taizhou Jinneng New Energy Co. Ltd. (泰州錦能新能源有限公司), a company primarily engaged in the research, manufacturing and sales of copper indium gallium selenide thin-film solar cells, from April 2018 to July 2021.

Mr. Gong obtained a bachelor's degree in engineering from the Chang'an University (長安大學) in the PRC in July 1983. He also obtained a master's degree in science from the Old Dominion University in the United States in May 1991.

Dr. Gao Huixia (高慧霞), aged 41, joined our Group in July 2021 as the head of legal and intellectual property and secretary to our Board and was appointed as our executive Director in December 2025. She is primarily responsible for secretarial matters of the Board, legal and intellectual property matters of our Group. Dr. Gao has also been a director of Xindao Wuxi since July 2025.

Dr. Gao has over nine years of experience in the intellectual property field. Prior to joining our Group, Dr. Gao served as a patent examiner of the Patent Examination Cooperation (Jiangsu) Center of the Patent Office, China National Intellectual Property Administration from July 2012 to May 2020. She also served at Guolian Smart Energy Transportation Technology Innovation Center (Suzhou) Co., Ltd. (國聯智慧能源交通技術創新中心(蘇州)有限公司) formerly known as Guowang Smart Energy Transportation Technology Innovation Center (Suzhou) Co., Ltd. (國網智慧能源交通技術創新中心(蘇州)有限公司), an intelligence equipment and service provider focused on the internet of vehicles and port shore power systems, from May 2020 to June 2021.

Dr. Gao obtained a bachelor's degree in applied physics from the Hebei University (河北大學) in the PRC in June 2006 and a master's degree in optical engineering from the Hebei University (河北大學) in June 2009. She later obtained a doctorate degree in condensed matter physics from the Institute of Semiconductors of the Chinese Academy of Sciences (中國科學院半導體研究所) in the PRC in July 2012.

Non-executive Directors

Ms. Zhang Qian (張倩), aged 46, was appointed as our non-executive Director in December 2020. She is primarily responsible for supervising the management of our Company and providing professional opinion and judgment to our Board.

Prior to joining our Group, Ms. Zhang served at UBS Group AG, a multinational investment bank and financial services firm, from December 2004 to February 2006; a securities analyst of Delta Partners LLC, a specialist advisory and investment firm, from April 2007 to June 2009; the executive director in the investment department of China Asset Management (Hong Kong) Limited (華夏基金管理(香港)有限公司), a wholly owned subsidiary of China Asset Management Co., Ltd., (華夏基金管理有限公司), one of China's biggest fund families, from October 2011 to November 2017; and an independent non-executive director of Ling Yue Services Group Limited (領悦服務集團有限公司), the shares of which are listed on the Stock Exchange (stock code: 2165), from June 2021 to February 2025. She has been the founding partner of FutureX Capital Limited (天際資本有限公司), a private equity investment firm specializing in the high-technology sectors, since January 2018.

Ms. Zhang obtained a bachelor's degree in computer science from the National University of Singapore in Singapore in August 2002. She also obtained an MBA degree from Hult International Business School in the United States in December 2006 and an MBA degree from PBC School of Finance of Tsinghua University (清華大學) in the PRC in June 2023.

Mr. Zhang Tong (張彤), aged 55, was appointed as our non-executive Director in December 2025. He is primarily responsible for supervising the management of our Company and providing professional opinion and judgment to our Board.

Prior to joining our Group, Mr. Zhang served as a partner of Kinzon Capital (昆仲(深圳)股權投資管理有限公司), an equity investment management firm specializing in early-stage and growth-stage technology innovation companies, from January 2017 to January 2021. He joined Suzhou NRL, a private equity and venture capital fund management firm investing across healthcare, advanced manufacturing, new energy and carbon neutrality and consumer technology, in February 2021 as the managing director and has served as a partner since July 2023.

Mr. Zhang obtained a bachelor's degree in electronic engineering from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 1992. He then obtained a master's degree in computer science from University of Akron in the United States in February 1997 and an MBA degree from Wharton Business School of University of Pennsylvania in the United States in May 2006.

Mr. Stephen Jin, aged 27, was appointed as our Director in March 2026. He is primarily responsible for providing professional opinion and judgment to our Board.

Mr. Jin is currently pursuing a master of business administration (MBA) degree at Cornell University in the United States, with an expected graduation in 2027. His studies focus on strategy, operations and technology management.

Mr. Jin obtained a bachelor's degree in hotel and tourism management from New York University in the United States in May 2021.

Independent Non-executive Directors

Mr. Ni Weixin (倪偉新), aged 67, was appointed as our independent non-executive Director in December 2025. He is responsible for supervising and offering independent judgment to our Board.

Mr. Ni has extensive experience in the semiconductor industry. Prior to joining our Group, Mr. Ni was appointed as associate dean of Shougang Microelectronics Co., Ltd. Research Institute (首鋼電子公司微電子研究院) in November 1993. He was then appointed as associate vice president of the administration and management division, associate vice president of the marketing and planning department as well as the vice general manager of Shougang NEC Electronics Co., Ltd. (首鋼日電電子有限公司) (currently known as Beijing Shougang Microelectronics Co., Ltd. (北京首鋼微電子有限公司)), a company specialized in integrated circuits and memory chips, in August 1995, July 1996 and May 1998 respectively. He later served as the director of Beijing Xinhui Tongyong Semiconductor Co., Ltd. (北京芯慧同用半導體有限公司) (currently known as Beijing Niujierui Technology Development Co., Ltd. (北京紐傑瑞科技發展有限公司)), a company specialized in integrated circuit design, from January 2008 to May 2025; and the chairman of the board and general manager of Beijing Silicon Valley Xinchuang Digital-to-Analog Technology Co., Ltd. (北京矽谷新創數模科技有限公司), a company specialized in integrated circuit design, from December 2009 to March 2015.

Mr. Ni obtained a bachelor's degree in computer science from Beijing Polytechnic Institute, Second Branch (北京工業學院第二分院) in the PRC in January 1983.

Dr. Huang Jiandong (黃建冬), aged 48, was appointed as our independent non-executive Director in March 2026. He is responsible for supervising and offering independent judgment to our Board.

Dr. Huang served as a department head of the corporate management department, assistant to the president, assistant to the chairman and senior marketing director of Wuhan Xinxin Semiconductor Manufacturing Co., Ltd (武漢新芯集成電路股份有限公司), a semiconductor integrated device manufacturer, from June 2006 to February 2016. He then served as a vice general manager of Hubei Integrated Circuit Industry Investment Fund Co., Ltd. (湖北集成電路產業投資基金股份有限公司), a company primarily engaged in enterprise management consulting, investment consulting and equity investment in the semiconductor sector, from February 2016 to June 2018; a general manager of Hubei Guoxin Industrial Investment Management Co., Ltd. (湖北國芯產業投資管理有限責任公司), a company primarily engaged in equity investment management, from April 2016 to June 2018; the head of investment and development department of Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司), an investment company primarily engaged in equity investments in enterprises and financial institutions and the provision of financing services to technology enterprises, from September 2018 to July 2021; and the director and general manager of Wuhan Donghu Guolong Equity Investment Fund Management Co., Ltd. (武漢東湖國隆股權投資基金管理有限公司), a company primarily engaged in angel investments, venture capital investments, private equity investments, and mergers and acquisitions, from August 2021 to July 2022. He has served as the chairman and general manager of Wuhan Guangkong Plank Venture Capital Co., Ltd. (武漢光控普朗克創業投資有限公司), a company primarily engaged in private equity investment fund management and venture capital investment fund management services, since August 2022.

Dr. Huang obtained a bachelor's degree in refrigeration and cryogenic technology from Luoyang Institute of Technology (currently known as Henan University of Science and Technology) (洛陽科技大學) in the PRC in July 2000. He also obtained a master's degree in refrigeration and cryogenic technology from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2003 and a doctorate degree in condensed matter physics from the Institute of Physics of Chinese Academy of Sciences (中國科學院物理研究所) in the PRC in June 2006.

Mr. Li Kwok Tai James (李國泰), aged 58, was appointed as our independent non-executive Director in March 2026. He is responsible for supervising and offering independent judgment to our Board.

Mr. Li served as a staff accountant in the audit department of Ernst & Young from May 1994 to January 1997; a senior accountant in the global corporate finance division of Arthur Andersen & Co. from May 1998 to January 2000; a senior associate of DBS Asia Capital Limited from January 2000 to January 2001; a manager in the listing division of Hong Kong Exchanges and Clearing Limited, a company listed on the Stock Exchange (stock code: 388), from September 2002 to June 2006; a senior manager in the corporate finance execution department of BNP Paribas Capital (Asia Pacific) Limited from June 2006 to May 2007; a vice president in the investment banking coverage department of J.P. Morgan Securities (Asia Pacific) Limited from May 2007 to December 2008; a vice president of New World Strategic Investment Limited, a wholly-owned subsidiary of New World Development Company Limited, a company listed on the Stock Exchange (stock code: 17), from April 2009 to April 2010; a director in the investment banking department of CGS-CIMB Securities (Hong Kong) Limited (formerly known as CIMB Securities Limited, a wholly-owned subsidiary of CIMB Group Sdn Bhd) from April 2010 to January 2017; a managing director of Futec International Holdings Limited (previously known as HeungKong Financial Group Limited) from August 2017 to May 2018; and a managing director in the investment banking department of Shanggu Securities Limited from June 2018 to April 2023. Mr. Li last served as a senior director of the compliance and risk management department of Gaw Capital Advisors Limited, a global multi-asset investment management firm, since April 2023.

Mr. Li has been an independent non-executive director of Huasheng International Holding Limited, a company listed on the Stock Exchange (stock code: 1323), from September 2020 to March 2024; an independent non-executive director of C&D Property Management Group Co., Ltd, a company listed on the Stock Exchange (stock code: 2156), since December 2020; as well as an independent non-executive director of Powerwin Tech Group Limited, a company listed on the Stock Exchange (stock code: 2405), since March 2023.

Mr. Li obtained a bachelor's degree in civil engineering from the University of Liverpool in the United Kingdom in July 1990; a master's degree in management science from the Victoria University of Manchester in the United Kingdom in December 1991; and a bachelor's degree in laws from the University of London in the United Kingdom in August 2005. Mr. Li has been a member of the American Institute of Certified Public Accountants since September 1999 and an associate member of the Hong Kong Institute of Certified Public Accountants since March 2000.

SENIOR MANAGEMENT

The following table sets forth the key information about the senior management of the Company.

Name	Age	Position	Responsibilities	Date of appointment as senior management	Date of joining our Group	Relationship with other Directors and senior management
Ms. Ye Ying . .	61	Executive Director, Chairlady and chief executive officer	Responsible for the overall strategy planning and making key business and operational decisions of our Group	June 2020	June 2020	Mother of Mr. Stephen Jin
Mr. Zhang Qing (張慶). . . .	56	Vice general manager	Responsible for the product planning, R&D and implementation our OHT systems of our Group	December 2025	December 2021	None
Mr. Wei Xiaowei (魏小偉)	39	Financial controller	Responsible for coordinating the financial matters of our Group	December 2025	September 2025	None
Dr. Gao Huixia (高慧霞) . .	41	Executive Director, secretary to our Board and joint company secretary	Responsible for secretarial matters of the Board, legal and intellectual property matters of our Group	December 2025	July 2021	None

For the biographical details of Ms. Ye and Dr. Gao Huixia, see "—Directors."

Mr. Zhang Qing (張慶), aged 56, was appointed as the vice general manager of the Company in December 2025. He is responsible for the product planning, R&D and implementation our OHT systems of our Group.

Prior to joining our Group, Mr. Zhang served at Shanghai University from May 1993 to September 2007, and was appointed as a lecturer in 1996; a deputy director of the technology center of Shanghai Siasun Robot & Automation Co., Ltd. (上海新松機器人自動化有限公司), a company primarily engaged in the development of robotic systems and automation control systems, from March 2008; a deputy director of the engineering centre of SIASUN CO., LTD (中科新松有限公司), a high-tech robotics and intelligent manufacturing company, from June 2015; a chief engineer of Zhejiang Houdar Intelligent Technology Co., Ltd. (浙江厚達智能科技股份有限公司), a high-tech company specializing in robotic and intelligent system solutions, from July 2018; and last served as an engineering director of Jiangsu Fenghesheng Intelligent Technology Co., Ltd. (江蘇烽禾升智能科技有限公司), an automation company that provides intelligent manufacturing solutions, from June 2020 to November 2021.

Mr. Zhang obtained a bachelor's degree in precision instruments from Hefei University of Technology (合肥工業大學) in the PRC in July 1991. He also obtained a master's degree in precision instruments and machinery from Shanghai University (上海大學) in the PRC in March 1999.

Mr. Wei Xiaowei (魏小偉), aged 39, was appointed as the financial controller of the Company in December 2025. He is responsible for coordinating the financial matters of the Group and holds the ultimate authority over the Group's financial matters.

Prior to joining our Group, Mr. Wei served as a senior auditor of Deloitte Touche Tohmatsu Limited from July 2008 to February 2012. He then served as a senior manager of Ping An Securities Co., Ltd. (平安證券股份有限公司) from February 2012 to September 2014; a senior investment director of Shanghai Xinghong Investment Holdings Co., Ltd. (上海星泓投資控股有限公司) (currently known as Shanghai Fusheng Investment Holdings Co., Ltd. (上海復晟投資控股有限公司)), a company primarily engaged in real estate development and investment management, from September 2014 to July 2018; the chief financial officer and secretary to the board of Hangzhou Goujia Network Technology Co., Ltd. (杭州構家網絡科技有限公司), a technology-driven online integrated home renovation platform, from August 2018 to April 2021; and the founder of Shanghai Qianting Enterprise Development Co., Ltd. (上海謙廷企業發展有限公司), a company primarily engaged in enterprise management and financial advisory services from January 2022 to September 2025.

Mr. Wei obtained a bachelor's degree in law from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 2008. He obtained qualifications as a certified public accountant and a legal professional qualification certificate (法律職業資格證書) in the PRC in June 2015 and April 2022 respectively.

GENERAL

As of the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries,

(i) save as disclosed above, none of the Directors or senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;

(ii) save as disclosed above, none of the Directors or members of the senior management of the Company was related to any other Directors and members of the senior management;

(iii) save as disclosed in "Appendix VII—Statutory and General Information," none of the Directors or general manager of the Company held any interest in the Shares which would be required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance; and

(iv) there was no additional matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders, and there was no additional information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirmed that he or she (i) had obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2026, and (ii) understood his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors had confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he had no past or present financial or other interest in the business of the Company or its subsidiary or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there were no other factors that may affect his independence at the time of his appointments. Each of our independent non-executive Directors will inform us and the Stock Exchange as soon as practicable if there is any subsequent change of circumstances which may affect his independence.

JOINT COMPANY SECRETARIES

The Company has appointed Dr. Gao Huixia and Ms. Lee Lai Wah as our joint company secretaries.

For the biographical details of Dr. Gao Huixia, see "—Senior Management."

Ms. Lee Lai Wah (李麗華), was appointed as one of our joint company secretaries in May 2026. She is currently a manager of Company Secretarial Services of Tricor Services Limited. Ms. Lee has around 5 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Lee is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI). Ms. Lee obtained her master's degree of Corporate Governance from the Hong Kong Polytechnic University.

BOARD COMMITTEES

We have established three board committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the Corporate Governance Code, namely the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Li Kwok Tai James, Mr. Ni Weixin and Dr. Huang Jiandong, with Mr. Li Kwok Tai James currently serving as the chairman. Mr. Li Kwok Tai James has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

(i) proposing the appointment or change of external auditors to our Board, monitoring the independence of external auditors and evaluating their performance;

(ii) examining the financial information of the Company and reviewing financial reports and statements of the Company;

(iii) examining the financial reporting system, the risk management and internal control system of the Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and

(iv) dealing with other matters that are authorized by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Ms. Ye, Mr. Ni Weixin and Dr. Huang Jiandong, with Ms. Ye currently serving as the chairlady. The primary duties of the Nomination Committee include, but are not limited to, the following:

(i) conducting extensive search and providing our Board with suitable candidates for our Directors, general managers and other members of the senior management;

(ii) reviewing the structure, size and composition of our Board (including but not limited to, gender, age, cultural and educational background, ethnicity, skills, knowledge and experience) at least annually, assisting our Board in maintaining a board skills matrix and making recommendations on any proposed changes to our Board to complement the Company's corporate strategy;

(iii) researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;

(iv) assessing the independence of the independent non-executive Directors;

(v) supporting our Company's regular evaluation of our Board's performance; and

(vi) dealing with other matters that are authorized by our Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Ni Weixin, Ms. Ye and Dr. Huang Jiandong, with Mr. Ni Weixin currently serving as the chairman. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following:

(i) advising our Board on the overall remuneration plan and structure of our Directors and senior management and the establishment of transparent and formal procedures for determining the remuneration policy of the Company;

(ii) monitoring the implementation of the remuneration system of the Company;

(iii) making recommendations on the remuneration packages of our Directors and senior management; and

(iv) other duties conferred by our Board.

CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the **[REDACTED]**.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate Chairlady and chief executive officer and Ms. Ye currently performs these two roles. Our Board believes that vesting the roles of both the Chairlady and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the Chairlady and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

BOARD DIVERSITY POLICY

We have adopted the board diversity policy which sets out the objective and approach for achieving and maintaining the diversity of the Board in order to enhance its effectiveness. In accordance with the board diversity policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on the Board and also the specific needs of the Company without focusing on a single diversity aspect. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as investment and business management. They obtained degrees in various areas including engineering, electronic engineering, computer science, applied physics and business administration. Furthermore, our Board has a diverse age and gender representation. Our Board currently comprises three female Directors and six male Directors, ranging from 27 years old to 67 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at our Board and senior management levels. We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. Our Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our nomination committee periodically to maintain gender diversity of our Board. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Upon the **[REDACTED]**, the Nomination Committee will from time to time discuss and agree on expected goals to ensure board diversity, and review and, where necessary, update the board diversity policy to ensure that the policy remains effective. The Company will disclose the biographical details of each Director and report on the implementation of the board diversity policy (including whether we have achieved board diversity) in its annual corporate governance report.

DIRECTORS' REMUNERATION AND REMUNERATION OF THE FIVE HIGHEST-PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in the forms of salaries and other benefits in kind, discretionary bonuses, retirement benefit scheme contributions and share-based payment expenses. The remuneration of the Directors and senior management members is determined with reference to the remuneration paid by comparable companies and the achievement of major operating indicators of the Company.

The aggregate amount of remuneration (including directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payment expenses) paid to the Directors and supervisors of the Company for the years ended December 31, 2023, 2024 and 2025 amounted to RMB18.4 million, RMB6.3 million and RMB9.0 million, respectively. The aggregate amount of remuneration (including directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payment expenses) incurred by the five highest-paid individuals (including two, two and three Directors, respectively) of our Group for the years ended December 31, 2023, 2024 and 2025 amounted to RMB22.8 million, RMB9.5 million and RMB9.3 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB7.3 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

For the years ended December 31, 2023, 2024 and 2025, there were two, two and three Directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB5.1 million, RMB4.5 million and RMB2.8 million, for the years ended December 31, 2023, 2024 and 2025, respectively.

We confirm that during the Track Record Period, no remuneration was paid by the Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office in connection with the management positions of the Company or any subsidiary of the Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by the Company or our subsidiary to our Directors or the five highest-paid individuals during the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Somerley Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise the Company in certain circumstances including:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where we propose to use the **[REDACTED]** from the **[REDACTED]** in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and

(iv) where the Stock Exchange makes an inquiry to the Company in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform the Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform the Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the **[REDACTED]** and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Ye, the Chairlady, executive Director and chief executive officer, was entitled to exercise approximately 54.74% of the voting rights in our Company through Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang.

Immediately after completion of the Share Subdivision and the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), Ms. Ye will, through Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang, control approximately **[REDACTED]** of the aggregate voting power of our enlarged share capital. Therefore, upon completion of the **[REDACTED]**, Ms. Ye, Ningbo Xilan, Shanghai Shixin, Shanghai Zhushi and Shanghai Haotang will constitute a group of Controlling Shareholders.

COMPETITION

Each member of our Controlling Shareholders has confirmed that she/it does not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises of three executive Directors, three non-executive Directors and three independent non-executive Directors. Ms. Ye is the Chairlady, our executive Director and chief executive officer. See "Directors and Senior Management" for more details.

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders and their respective close associates because:

(a) each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she must act for the benefit and in the best interest of our Group and must not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Director(s) will abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum;

(c) our Board comprises of nine Directors and three of them are independent non-executive Directors, which represents one-third of the members of our Board. This is in line with the requirements as set out in the Listing Rules; and

(d) our daily management and operations are carried out by the senior management team, all of whom have substantial experience in the industry which our Company is engaged in, and will therefore be able to make business decisions that are in the best interests of our Group.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management are able to perform the managerial roles in our Group independently, and our Directors are of the view that we are capable of managing our business independent from our Controlling Shareholders and their respective close associates (other than our Group) after the **[REDACTED]**.

Operational Independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have our own independent departments to support the operations and management of our current business. Our Company holds the relevant licenses and qualifications and owns the relevant intellectual properties necessary to carry out our current business, and has sufficient capital, facilities, equipment, technology and employees to operate our business independently from our Controlling Shareholders and their respective close associates. For further details, see "Business—Licenses, Approvals and Permits" and the section headed "Appendix VII—Statutory and General Information—B. Further Information about our Business—2. Intellectual Property Rights." We have access to third parties independently from our Controlling Shareholders and their respective close associates for sources of suppliers and customers.

Based on the above, our Directors are satisfied that we are able to function and operate independently from our Controlling Shareholders and their close associates after the **[REDACTED]**.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company, independent from our Controlling Shareholders and their respective close associates. We are able to make financial decisions independently according to our own business needs and our Controlling Shareholders and their respective close associates do not intervene with our financial matters. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system. In addition, we are capable of obtaining financing from third parties at reasonable costs without relying on any guarantee or security provided by our Controlling Shareholders or their close associates.

We have sufficient capital to operate our business independently, and have adequate internal resources to support our daily operations. There will be no financial assistance, security and/or guarantee provided by our Controlling Shareholders or their respective close associates in our favor or vice versa (as the case may be) upon the **[REDACTED]**. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates. We have engaged an independent internal control consultant, to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We would adopt the following measures to promote good corporate governance and to avoid potential conflict of interests between our Group and our Controlling Shareholders and their respective close associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders and their respective close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with our Controlling Shareholders and their respective associates, our Company will comply with the applicable Listing Rules;

(c) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to enable our Board to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our minority Shareholders. For details of our independent non-executive Directors, see the section headed "Directors and Senior Management—Directors—Independent Non-executive Directors";

(d) our independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements as required by the Listing Rules

(f) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(g) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense; and

(h) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests that may arise between our Group and our Controlling Shareholders and their respective close associates, and to protect our minority Shareholders' interests after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Share Subdivision, the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (assuming the **[REDACTED]** is not exercised), the following persons will have interest and/or short position (as applicable) in the Shares and/or the underlying Shares of our Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting rights of our Company:

		Shares held as of the Latest Practicable Date		**Shares held immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)(2)**	
Name of Shareholder	**Nature of interest**	**Number and description of Shares(1)**	**Approximate percentage of shareholding in the total issued share capital of the Company**	**Number and description of Shares(1)**	**Approximate percentage of shareholding in the total issued share capital of the Company**
Ms. Ye	Interest in controlled corporation	19,790,908 Unlisted Shares(3)	54.74%	**[REDACTED]**	**[REDACTED]**%
Ningbo Xilan . . .	Interest in controlled corporation	19,790,908 Unlisted Shares(3)	54.74%	**[REDACTED]**	**[REDACTED]**%
Shanghai Shixin .	Beneficial owner	8,990,908 Unlisted Shares	24.87%	**[REDACTED]**	**[REDACTED]**%
Shanghai Zhushi .	Beneficial owner	6,000,000 Unlisted Shares	16.59%	**[REDACTED]**	**[REDACTED]**%
Shanghai Haotang.	Beneficial owner	4,800,000 Unlisted Shares	13.28%	**[REDACTED]**	**[REDACTED]**%

Notes:

(1) All interests stated are long positions. For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company and are considered as one class of Shares.

(2) The number of Shares is presented based on the assumption that the Share Subdivision is completed. The calculation is based on the total number of **[REDACTED]** H Shares to be converted from Unlisted Shares in issue and **[REDACTED]** H Shares to be issued under the **[REDACTED]** (assuming the **[REDACTED]** is not exercised)

(3) Among the 19,790,908 Shares in which Ms. Ye was interested through controlled corporations, (i) 8,990,908 Shares were held through Shanghai Shixin, which is controlled by Ningbo Xilan as a general partner; (ii) 6,000,000 Shares were held through Shanghai Zhushi which is controlled by Ningbo Xilan as a general partner; and (iii) 4,800,000 Shares were held through Shanghai Haotang which is controlled by Ningbo Xilan as a general partner. and Ningbo Xilan is owned as to 99% by Ms. Ye.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and in "Appendix VII—Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—3. Disclosure of Interests" (and taking no account of any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), our Directors are not aware of any person who will, immediately following the completion of the **[REDACTED]** has an interest or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

BEFORE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, our registered share capital was RMB36,154,142, divided into 36,154,142 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE SHARE SUBDIVISION AND THE [REDACTED]

Assuming the **[REDACTED]** is not exercised, the share capital of our Company immediately after completion of the Share Subdivision, the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	**Number of Shares**	**Approximate percentage of issued share capital**
H Shares converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100%**

Assuming the **[REDACTED]** is exercised in full, the share capital of our Company immediately after completion of the Share Subdivision, the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	**Number of Shares**	**Approximate percentage of issued share capital**
H Shares converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100%**

The above table assumes that the **[REDACTED]** has become unconditional and the H Shares are issued pursuant to the **[REDACTED]**.

RANKING

Upon completion of the Share Subdivision and the **[REDACTED]**, our Company will consist of H Shares only. H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations by the CSRC and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares upon the **[REDACTED]**, and such converted Shares may be **[REDACTED]** and **[REDACTED]** on an overseas stock exchange provided that the conversion, **[REDACTED]** and **[REDACTED]** of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, **[REDACTED]** and **[REDACTED]** shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, **[REDACTED]** and **[REDACTED]** as H Shares on the Stock Exchange, the approvals of any internal approval process and/or the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the **[REDACTED]** of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the **[REDACTED]** to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the **[REDACTED]** of additional Shares after the **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong. No Shareholder voting is required for the conversion of such Unlisted Shares or the **[REDACTED]** and **[REDACTED]** of such converted Shares on an overseas stock exchange. Any **[REDACTED]** for **[REDACTED]** of the converted shares on the Stock Exchange after our **[REDACTED]** is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Share register, and the Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on the H Share register of the Company will be on the conditions that (i) the **[REDACTED]** lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be **[REDACTED]** on the Stock Exchange complies with the Listing Rules and **[REDACTED]** in force from time to time. Until the converted Shares are re-registered on the H Share register of the Company, such Shares would not be **[REDACTED]** as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure—Our Capitalization."

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares **[REDACTED]** prior to any **[REDACTED]** of shares by a company cannot be transferred within 12 months from the date on which such publicly **[REDACTED]** shares are **[REDACTED]** and **[REDACTED]** on the relevant stock exchange. As such, the Shares **[REDACTED]** by the Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the **[REDACTED]**.

Our Directors and members of the senior management of the Company shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within 12 months from the date on which the Shares are **[REDACTED]** and **[REDACTED]**, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of the Company.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which the Shareholders' general meeting is required, see "Appendix VI—Summary of the Articles of Association".

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.

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.

FUTURE PLANS

See "Business—Our Growth Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, we estimate that we will receive net **[REDACTED]** of approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million) from the **[REDACTED]** after deduction of **[REDACTED]** fees and commissions and estimated expenses payable by us in connection with the **[REDACTED]**:

We intend to use the **[REDACTED]** as follows:

(i) approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for R&D and technology innovation, of which:

approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for upgrade of our existing products, specifically:

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for the R&D of AMHS software control system, including (a) upgrade of AI-based intelligent AMHS transport scheduling system and OHT dispatch system, for control of AMHS as a whole; (b) development of full-stack material control system (i.e. MCP and MCS systems) and intelligent stocker collaboration platform, for information exchange and collaboration with our customers' semiconductor manufacturing equipment; and (c) AI-enabled OHT intelligent control system, for control of OHT vehicles.

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for the R&D of AMHS hardware execution units, including (a) development of more OHT vehicle models; (b) overhead hoist shuttle (OHS) products; and (c) other select AMHS-related products that meet our customer needs.

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for further enhancing the performance of our wafer transfer equipment to meet the evolving manufacturing needs of fabrication plants, through R&D in the following areas: (a) end effector materials, which are wear parts that require periodic replacement due to degradation over time; (b) embedded sorters compatible with advanced packaging; (c) advanced nitrogen-purged EFEMs for process nodes of 3nm and below in semiconductor manufacturing; (d) pre-aligned wafer-handling robots; and (e) vacuum wafer-handling robots.

approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for development of new products and technology innovation, specifically:

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for R&D of new semiconductor transfer system compatible with (a) cutting-edge advanced panel-level packaging (PLP) technologies for glass substrate handling and panel transfer equipment; (b) advanced chip stacking and packaging processes, enabling high-precision alignment and stable transfer between multiple layers of ultra-thin wafers, significantly improving AI chip yield and reducing production costs; (c) vacuum wafer transfer compatible with advanced packaging applications; and

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for R&D of (a) high-precision handling technology purpose-built for optical path alignment and coupling between optoelectronic chips and optical fibers, ensuring efficient optical signal transmission; and (b) a fully automated material handling system for next-generation unmanned production environments requiring ultra-high cleanliness and oxygen- and moisture-free conditions for advanced-node applications, improving yield and consistency.

Specifically, for the R&D and technology innovation above, we plan to allocate the **[REDACTED]** primarily to R&D personnel recruitment, procurement of related equipment and materials, and software licenses (including database, communication middleware, simulation software, AI platform tools and commercial protocol stacks);

(ii) approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for enhancement of manufacturing capacity, of which:

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for purchasing buildings and the land use rights for the construction of the planned new EFEM and AMHS manufacturing bases to meet the rapidly growing demand in the domestic market; and

- approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for purchasing a building and its land use right, which are currently leased by us as headquarters and a manufacturing base in Shanghai.

(iii) approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for mergers, acquisitions and strategic investments to achieve our long-term growth strategies. We seek strategic investment and acquisition opportunities that can deliver technological synergies and market expansion potential.

Specifically, we primarily consider target companies with highly complementary or synergistic businesses to efficiently consolidate industry resources, strengthen supply chain resilience and achieve cost advantages. We currently focus on companies engaged in the production of wafer fabrication consumables, advanced wafer-handling robots, and electric motors used in semiconductor-related equipment. We also consider target companies in the semiconductor industry that manufacture high-quality products but have limited sales channels and customer reach. We plan to leverage our own sales team to drive the sales of these products.

(iv) approximately **[REDACTED]**, or RMB**[REDACTED]** million, will be used for working capital and other general corporate purposes.

The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative **[REDACTED]**. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the high end of our indicative **[REDACTED]** range, the **[REDACTED]** from the **[REDACTED]** will increase by approximately HK$**[REDACTED]** million. If the **[REDACTED]** is set at HK$**[REDACTED]** per H Share, which is the low end of our indicative **[REDACTED]** range, the **[REDACTED]** from the **[REDACTED]** will decrease by approximately HK$**[REDACTED]** million. Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro rata basis. In the event that the **[REDACTED]** is exercised in full, we will receive **[REDACTED]** of HK$**[REDACTED]** million (after deducting the estimated **[REDACTED]** and other fees and expenses paid and payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of our indicative **[REDACTED]** range).

To the extent that the **[REDACTED]** are not immediately applied to the above purposes, we will only deposit the **[REDACTED]** into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-84, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI GONA SEMICONDUCTOR TECHNOLOGY CO., LTD. 上海果納半導體技術股份有限公司 AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Shanghai GoNa Semiconductor Technology Co., Ltd. **上海果納半導體技術股份有限公司** (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-84, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on I-3 to I-84 forms an integral part of this report, which has been prepared for inclusion in this document of the Company dated [•] (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 28(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[[•] [•], 2026]

Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in Renminbi)

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	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	*5*	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	*23*	(16,355)	(20,160)	(22,855)
Other finance costs	*6(a)*	(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	*7*	852	(2,055)	2,238
Loss for the year		(81,820)	(63,588)	(12,730)
Attributable to:				
Equity shareholders of the Company		(81,819)	(61,603)	(11,101)
Non-controlling interests		(1)	(1,985)	(1,629)
Loss for the year		(81,820)	(63,588)	(12,730)
Loss per share	*10*			
– Basic and diluted loss per share		(2.69)	(1.85)	(0.33)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	(81,820)	(63,588)	(12,730)
Other comprehensive income for the year, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of an overseas subsidiary	1,107	1,819	4,178
Other comprehensive income for the year	1,107	1,819	4,178
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company	(80,925)	(60,222)	(7,603)
Non-controlling interests	212	(1,547)	(949)
Total comprehensive income for the year	(80,713)	(61,769)	(8,552)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	139,714	188,933	189,985
Right-of-use assets	*12*	14,320	20,941	18,645
Intangible assets	*13*	19,438	18,540	40,796
Goodwill	*14*	7,039	7,397	63,377
Deferred tax assets	*25(b)*	3,991	5,068	8,912
Prepayments and other receivables	*18*	–	4,608	4,912
		184,502	245,487	326,627
Current assets				
Inventories and contract costs	*16*	168,956	237,476	289,690
Trade and bills receivable	*17*	38,356	90,825	142,711
Prepayments and other receivables	*18*	58,138	46,534	24,719
Pledged bank deposits	*19(a)*	2,880	1,310	–
Cash and cash equivalents	*19(a)*	56,518	15,839	93,270
		324,848	391,984	550,390
Current liabilities				
Interest-bearing borrowings	*20*	154,536	157,144	204,317
Trade and other payables	*21*	127,814	230,584	284,467
Lease liabilities	*22*	1,650	3,905	4,436
Income tax payables	*25(a)*	2,888	3,120	106
Ordinary shares with redemption rights	*23*	284,420	304,580	427,435
		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)

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Interest-bearing borrowings	*20*	41,252	95,448	97,033
Lease liabilities	*22*	1,245	5,832	2,611
Deferred income	*24*	11,398	11,269	17,307
Deferred tax liabilities	*25(b)*	3,943	3,955	7,322
		57,838	116,504	124,273
NET LIABILITIES		(119,796)	(178,366)	(168,017)
CAPITAL AND RESERVES	*28*			
Paid-in capital		33,309	33,309	–
Share capital		–	–	34,982
Reserves		(163,305)	(220,328)	(227,202)
Total deficits attributable to equity shareholders of the Company		(129,996)	(187,019)	(192,220)
Non-controlling interests		10,200	8,653	24,203
TOTAL DEFICIT		(119,796)	(178,366)	(168,017)

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	6,031	8,719	6,547
Right-of-use assets	*12*	1,783	6,974	4,460
Intangible assets	*13*	3,364	3,378	3,364
Investment in subsidiaries	*15*	74,896	75,279	155,678
Deferred tax assets		704	1,223	2,364
Prepayments and other receivables	*18*	–	772	1,273
		86,778	96,345	173,686
Current assets				
Inventories and contract costs	*16*	158,482	220,789	269,991
Trade and bills receivable	*17*	20,303	76,267	131,012
Prepayments and other receivables	*18*	66,123	51,611	40,011
Cash and cash equivalents	*19(a)*	36,057	14,280	77,383
		280,965	362,947	518,397
Current liabilities				
Interest-bearing borrowings	*20*	149,688	155,675	171,343
Trade and other payables	*21*	54,282	168,446	220,652
Lease liabilities	*22*	1,166	2,762	2,706
Ordinary shares with redemption rights	*23*	284,420	304,580	427,435
		489,556	631,463	822,136
Net current liabilities		(208,591)	(268,516)	(303,739)
Total assets less current liabilities		(121,813)	(172,171)	(130,053)

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
Non-current liabilities				
Interest-bearing borrowings	20	5,175	–	45,516
Lease liabilities	22	923	4,514	1,732
Deferred tax liabilities		129	369	409
		6,227	4,883	47,657
NET LIABILITIES		(128,040)	(177,054)	(177,710)
CAPITAL AND RESERVES	28			
Paid-in capital		33,309	33,309	–
Share capital		–	–	34,982
Reserves		(161,349)	(210,363)	(212,692)
TOTAL DEFICIT		(128,040)	(177,054)	(177,710)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

		Attributable to equity shareholders of the Company								
	Note	**Paid-in capital**	**Share capital**	**Capital reserve**	**Share premium**	**Exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total deficit**
		RMB'000 (*Note28 (c)*)	*RMB'000* (*Note28 (d)*)	*RMB'000* (*Note28 (e)(ii)*)	*RMB'000* (*Note28 (d)*)	*RMB'000* (*Note28 (e)(iii)*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023		14,762	–	3,632	–	–	(102,030)	(83,636)	–	(83,636)
Changes in equity for 2023										
Loss for the year		–	–	–	–	–	(81,819)	(81,819)	(1)	(81,820)
Other comprehensive income		–	–	–	–	894	–	894	213	1,107
Total comprehensive income		–	–	–	–	894	(81,819)	(80,925)	212	(80,713)
Acquisition of a subsidiary with non-controlling interest	*27 (a)*	–	–	–	–	–	–	–	9,988	9,988
Capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–	–	–	–	17,151	–	17,151
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,396	–	68,604	–	–	–	70,000	–	70,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(70,000)	–	–	–	(70,000)	–	(70,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	17,414	–	–	–	17,414	–	17,414
Balance at December 31, 2023 and January 1, 2024		33,309	–	19,650	–	894	(183,849)	(129,996)	10,200	(119,796)
Changes in equity for 2024										
Loss for the year		–	–	–	–	–	(61,603)	(61,603)	(1,985)	(63,588)
Other comprehensive income		–	–	–	–	1,381	–	1,381	438	1,819
Total comprehensive income		–	–	–	–	1,381	(61,603)	(60,222)	(1,547)	(61,769)
Equity-settled share-based payment transaction	*26(c)*	–	–	3,199	–	–	–	3,199	–	3,199

		Attributable to equity shareholders of the Company								
	Note	**Paid-in capital**	**Share capital**	**Capital reserve**	**Share premium**	**Exchange reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total deficit**
		RMB'000 *(Note28 (c))*	*RMB'000* *(Note28 (d))*	*RMB'000* *(Note28 (e)(ii))*	*RMB'000* *(Note28 (d))*	*RMB'000* *(Note28 (e)(iii))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at December 31, 2024 and January 1, 2025		33,309	–	22,849	–	2,275	(245,452)	(187,019)	8,653	(178,366)
Changes in equity for 2025										
Loss for the year		–	–	–	–	–	(11,101)	(11,101)	(1,629)	(12,730)
Other comprehensive income		–	–	–	–	3,498	–	3,498	680	4,178
Total comprehensive income		–	–	–	–	3,498	(11,101)	(7,603)	(949)	(8,552)
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,673	–	98,327	–	–	–	100,000	–	100,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(100,000)	–	–	–	(100,000)	–	(100,000)
Capital injection by non-controlling interests		–	–	–	–	–	–	–	4,889	4,889
Equity-settled share-based payment transaction	*26(c)*	–	–	2,402	–	–	–	2,402	–	2,402
Acquisition of a subsidiary with non-controlling interest	*27 (b)*	–	–	–	–	–	–	–	11,610	11,610
Conversion into a joint stock limited liability company	*28(d)(i)*	(34,982)	34,982	(363,045)	243,366	–	119,679	–	–	–
Balance at December 31, 2025		–	34,982	(339,467)	243,366	5,773	(136,874)	(192,220)	24,203	(168,017)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Renminbi)

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash (used in)/generated from operations	*19(b)*	(76,261)	(22,307)	6,100
Income tax paid		(68)	(3,033)	(5,076)
Net cash (used in)/generated from operating activities		(76,329)	(25,340)	1,024
Investing activities				
Payment for acquisition of property, plant and equipment and intangible assets		(75,445)	(62,099)	(27,947)
Payment for acquisition of land use right		(12,298)	–	(3,524)
Proceeds from disposal of property, plant and equipment		–	7	527
Payment for acquisition of a subsidiary, net of cash acquired	*19(e)*	(28,678)	–	(32,039)
Net cash used in investing activities		(116,421)	(62,092)	(62,983)
Financing activities				
Proceeds from interest-bearing borrowings	*19(c)*	211,927	229,766	274,651
Repayment of interest-bearing borrowings	*19(c)*	(88,187)	(172,963)	(225,893)
Interest paid	*19(c)*	(4,203)	(7,924)	(10,030)
Capital injection by non-controlling interests		–	–	4,889
Payment of **[REDACTED]** expenses		–	–	(235)
Proceeds from capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–
Proceeds from the issuance of ordinary shares with redemption rights	*23*	70,000	–	100,000
Capital element of lease rentals paid	*19(c)*	(1,899)	(2,344)	(4,110)
Net cash 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 January 1		44,387	56,518	15,839
Effect of foreign exchange rate changes		92	218	118
Cash and cash equivalents at December 31		56,518	15,839	93,270

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai GoNa Semiconductor Technology Co., Ltd. 上海果納半導體技術股份有限公司 (the "**Company**") was incorporated in Shanghai, the People's Republic of China (the "**PRC**") as a limited liability company on March 17, 2020. On December 31, 2025, the Company was converted into a joint stock limited liability company.

During the Track Record Period, the Company and its subsidiaries (together, the "**Group**") are mainly engaged in the research and development ("**R&D**"), manufacturing and sales of wafer transfer equipment, automated material handling system (the "**AMHS**"), and the related key components and related products.

The statutory financial statements of the Company for the year ended December 31, 2023, 2024 and 2025, were audited by Shanghai Gongxin Certified Public Accountants (上海公信會計師事務所).

The functional currency of the Company is Renminbi ("**RMB**"). The consolidated financial statements are presented in RMB as mainly of the Group's operations are conducted by the Company and its subsidiaries established in the PRC and the functional currency of which is RMB.

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private limited liability companies:

Company name	Place and date of incorporation/ establishment and place of business	Particulars of issued and paid-up capital	Effective interest held by the Group — As at December 31, 2023	2024	2025	At the date of this report	Principal activities
Directly held by the Company							
Zhejiang Gona Semiconductor Technology Co., Ltd.(ii) (iii) (浙江果納半導體技術有限公司)	PRC January 18, 2022	RMB40,000,000/ RMB40,000,000	100%	100%	100%	100%	Manufacturing and sales of components of wafer transfer equipment
Wuhan Nayou Electronics Technology Co., Ltd.(ii) (iii) (武漢納優電子技術有限公司)	PRC October 12, 2022	RMB10,000,000/ RMB2,000,000	100%	100%	100%	100%	Repair of semiconductor transfer equipment and sales of components
Guangdong Gona Semiconductor Technology Co., Ltd.(ii) (iii) (廣東果納半導體技術有限公司)	PRC November 15, 2024	RMB20,000,000/ Nil	100%	100%	100%	100%	R&D and sales of semiconductor transfer equipment
Shanghai Gona Catering Management Co., Ltd.(ii) (iii) (上海果納餐飲管理有限公司)	PRC December 17, 2024	RMB500,000/ RMB500,000	100%	100%	100%	100%	Catering services
Waftech Sdn. Bhd. (i) (vi) (the "**Waftech**")	Malaysia January 12, 2007	Malaysian Ringgit ("**MYR**") 533,333/ MYR533,333	70%	70%	70%	70%	R&D, manufacturing and sales of semiconductor packaging automation equipment
Xindao (Wuxi) Precision Equipment Co., Ltd. (iii) (iv) (vii) (viii) (the "**Xindao Wuxi**") (芯導（無錫）精密設備有限公司)	PRC November 26, 2021	RMB1,160,000/ RMB1,160,000	N/A	N/A	51.78%	51.78%	Investment holding

Company name	Place and date of incorporation/ establishment and and place of business	Particulars of issued and paid-up capital	Effective interest held by the Group As at December 31, 2023	2024	2025	At the date of this report	Principal activities
Huzhou Gona Semiconductor Technology Co., Ltd. (ii) (iii) (湖州果納半導體技術有限公司)	PRC December 16, 2025	RMB30,000,000/ Nil	N/A	N/A	100%	100%	R&D, manufacturing and sales of semiconductor transfer system
Indirectly held by the Company							
Xindao Precision (Beijing) Equipment Co., Ltd. (iii) (iv) (vii) (the "**Xindao Precision**") (芯導精密（北京）設備有限公司)	PRC July 16, 2018	RMB25,000,000/ RMB25,000,000	N/A	N/A	51.78%	51.78%	R&D, manufacturing and sales of the components of wafer transfer equipment
Xindao Innovation (Beijing) Technology Co., Ltd. (iii) (iv) (vii) (芯導創能（北京）科技有限公司)	PRC May 10, 2021	RMB10,000,000/ RMB10,000,000	N/A	N/A	51.78%	51.78%	R&D and sales of the components of wafer transfer equipment

Notes:

(i) The entity prepared the statutory financial statements for the year ended December 31, 2023, 2024 and 2025, in accordance with the Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirement of the Company Act. 2016 in Malaysia. The financial statements for the year ended December 31, 2023 and 2024, were audited by KCK & ASSOCIATES PLT., certified public accountants registered in Malaysia. As at the date of this report, no audited financial statements have been prepared for the year ended December 31, 2025.

(ii) No audited financial statements were prepared for these entities during the Track Record Period.

(iii) The official names of these entities are in Chinese. The English translation is for identification purpose only.

(iv) These entities prepared the statutory financial statements for the year ended December 31, 2023, 2024 and 2025 in accordance with the requirements of Accounting Standards for Business Enterprise, which are also referred to as China Accounting Standards, issued by the Ministry of Finance of the PRC. The financial statements for the year ended December 31, 2023, 2024 and 2025, were audited by Beijing Yunsheng Certified Public Accountants (General Partnership) 北京雲升會計師事務所 (普通合夥), certified public accountants registered in PRC.

(v) The directors of the Company are of the view that the Group had no individually material non-controlling interest as of December 31, 2023, 2024 and 2025.

(vi) This entity was acquired by the Group on December 14, 2023 and became a subsidiary of the Group since then, see Note 27(a).

(vii) These entities were acquired by the Group on October 17, 2025 and became subsidiaries of the Group since then, see Note 27(b).

(viii) Shares of this entity have been pledged for certain interest-bearing borrowings from bank amounting to RMB13,886,000 (Note 20) as at December 31, 2025.

All companies now comprising the Group have adopted December 31 as their financial year end date.

As at December 31, 2025, the Group had net liabilities of RMB168,017,000 and net current liabilities of RMB370,371,000, which is primarily due to ordinary shares with redemption rights (see Note 23). All special rights granted will be automatically terminated upon **[REDACTED]** and the ordinary shares with redemption rights will be reclassified to equity accordingly. The directors of the Company have reviewed the Group's cash flow projections, which cover a period of at least twelve months from December 31, 2025. Notwithstanding the net current liabilities and net liabilities position as at December 31, 2025, the directors of the Company consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information have 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.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are 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.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information are presented in RMB and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVOCI are stated at their fair value as explained in Note 2(e).

(b) Use of estimates and judgement

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group is presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(n) or (p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Business combination and goodwill

The Group accounts for the business combination using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. Business combination is accounted for using the acquisition method as at the acquisition date when control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquires includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction cost are expensed as incurred.

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognized immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(i)(ii)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at financial assets measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– fair value through other comprehensive income ("**FVOCI**") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in other comprehensive income ("**OCI**"). When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings, and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and impairment losses (see Note 2(i)(ii)).

Construction in progress represents buildings and various machinery, plant and equipment under construction and pending installation, and is stated at cost less impairment losses (see Note 2(i)(ii)). Cost comprises direct costs of construction as well as interest charges during the periods of construction.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. No depreciation is provided in respect of construction in progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated 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 is generally recognized 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

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets (other than goodwill)

Intangible assets, including software, patents and customer relationships, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(i)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives during the Track Record Period are as follows:

– Software	5–10 years
– Patents	5–10 years
– Customer relationships	10 years

Patents are capitalized on the basis of the cost incurred to acquire and bring to use the specific patent. The patents relate to production technologies developed by the Group. The useful lives of the patents were estimated by the Group based on the respective periods over which economic benefits are expected to be derived from the underlying technologies. The estimation of the useful lives has taken into account the patent protection period, the historical life of similar products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on the different production commencement dates and the expected lifespan of economic benefits of individual technologies, the useful lives of the Group's patents have been assessed to 5–10 years.

Customer relationships were acquired through the business combination of subsidiaries. They are recognized at fair value at the date of acquisition and the useful lives of these customer relationships were estimated by the Group based on contractual terms, historical customer retention and renewal experience, expected customer attrition, industry dynamics, technological changes, and assumptions adopted in the independent valuation.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see Notes 2(e)(i), 2(u)(ii) and 2(i)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses ("**ECL**"s) on:

– financial assets measured at amortized cost (including cash and cash equivalents, trade and other receivables);

– contract assets (see Note 2(k));

– non-equity securities measured at FVOCI (recycling) assets (see Note 2(e)(i));

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial has increased significantly since initial recognition and when measuring ECLs, the Group considers 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 the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganization; or significant financial difficulties of the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written-off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its 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 any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together 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 ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is 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.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Inventories and contract costs

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is 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.

When inventories are sold, the carrying amount of those inventories is recognized in cost of sales in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(ii) contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventory (see Note 2(j)(i)), property, plant and equipment (see Note 2(f)) or intangible assets (see Note 2(g)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalized if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Amortization of capitalized contract costs is recognized in profit or loss when the revenue to which the asset relates is recognized (see Note 2(u)(i)).

(k) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see Note 2(u)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(l)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(u)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)(i)).

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortized cost, using the effective interest method (see Note 2(i)(i)).

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(n) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Ordinary shares with redemption rights

The Group recognizes as a financial liability its obligation to purchase its own equity instruments for cash or another financial asset. The financial liability is measured 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".

The Group derecognizes the financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(w).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(r) Share-based payment transactions

(i) Equity-settled share-based payment transaction with employees

The grant-date fair value of restricted share and share option granted to employees and non-employee consultants is measured based on the binomial lattice model and equity allocation model. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve until either the restricted share is vested, and option is exercised (when it is included in the amount recognized in share capital for the shares issued) or the option and restricted share expires/forfeited (when it is released directly to retained earnings).

(ii) Equity-settled share-based payment transaction with parties other than employees

For equity-settled share-based payment transaction with parties other than employees, services are recognized as expenses when they are received with reference to the fair value of the services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the services received, the entity shall measure their value by reference to the fair value of the equity instruments granted. The fair value shall be measured at the date the counterparty renders service.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sales of equipment and other products

Revenue arising from the sale of intelligent semiconductor transfer system, semiconductor packaging automation equipment and components are recognized when the customer takes possession of and accepts the equipment and related products.

Rendering of services

Revenue from the rendering technical services is recognized 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, revenue is recognized only to the extent of costs incurred that are expected to be recoverable.

(ii) Revenue from other sources and other income

Interest income

Interest income is recognized as it accrues using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Where the grant that compensate the Group for the cost of an asset, the grant received are recognized initially as deferred income and amortized as income in the profit or loss on a straight-line basis over the useful life of the related asset.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 14, 26, 29(a) and 29(e) contains information about the assumptions and their risk factors relating to goodwill impairment, fair value of equity-settled share-based transactions, ECLs for trade receivables and fair value of other financial assets. Other significant sources of judgment and estimation uncertainty are as follows:

(a) Net realizable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. In addition, these estimates could change significantly as a result of change in customer preference, environmental goals and competitor actions in response to industry cycles. Management measures these estimates at the end of each reporting period.

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected 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.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service and the timing of revenue recognition is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Sales of equipment and other products			
Intelligent semiconductor transfer system			
– Wafer transfer equipment	104,953	239,226	380,453
– AMHS	–	–	13,423
– Components and others	1,679	4,026	13,377
Semiconductor packaging automation equipment and components	3,848	13,198	44,304
Subtotal	**110,480**	**256,450**	**451,557**
Technical services and others	22,809	52,475	69,954
Total	133,289	308,925	521,511
Disaggregated revenue from contracts with customers within the scope of IFRS 15 by timing of revenue recognition			
Point in time	111,425	267,599	475,408
Over time	21,864	41,326	46,103
Total	133,289	308,925	521,511

(ii) Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the Track Record Period is set out below:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	24,075	42,613	52,572
Customer B	22,713	183,348	207,818
Customer C	13,996	N/A*	N/A*

* Less than 10% of the Group's revenue in the respective years.

(iii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or less.

(b) Segment reporting

(i) Segment information

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the founder of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, the Company has determined that it only has one operating segment.

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, non-current portion of prepayment and other receivables ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of right-of-use assets, property, plant and equipment, the location of the operation to which they are allocated in the case of intangible assets, goodwill and non-current portion of prepayment and other receivables.

Revenues from external customers

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	128,528	292,979	477,037
Other countries and regions	4,761	15,946	44,474
	133,289	308,925	521,511

Specified non-current assets

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	156,235	214,396	287,604
Other countries and regions	24,276	26,023	30,111
	180,511	240,419	317,715

5 OTHER NET INCOME

	Note	Years ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Government grants	*(i)*	1,469	2,771	3,058
Gain from input VAT deduction in Chinese mainland	*(ii)*	664	6,424	3,158
Interest income on deposits		369	371	362
Net gain/(loss) on disposal of property, plant and equipment and right-of-use assets		31	(9)	314
Net foreign exchange gain/(loss)		171	(557)	(1,044)
Insurance compensation		–	–	876
Others		44	330	294
		2,748	9,330	7,018

(i) Government grants primarily consist of subsidies received by the Group's operating subsidiaries from various government authorities. These grants are mainly to compensate the Group's research and development expenditures.

(ii) Pursuant to Notice of the Ministry of Finance and the State Taxation Administration on the VAT Additional Deduction Policy for Integrated Circuit Enterprises (Notice No. 17 of 2023 by the Ministry of Finance and the State Taxation Administration) (財政部稅務總局關於積體電路企業增值稅加計抵減政策的通知 (財稅[2023] 17號)), effective from January 1, 2023 to December 31, 2027, the Company and certain subsidiaries in Chinese mainland are allowed to have an additional 15% deduction of input VAT, which was recognized as other net income.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Other finance costs

	Note	Years ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Interest on loans and borrowings	*19(c)*	4,175	8,382	9,368
Interest on lease liabilities	*19(c)*	62	89	165
Total interest expense on financial liabilities not at fair value through profit or loss		4,237	8,471	9,533
Less: Interest expense capitalized into construction in progress*		(212)	(1,064)	–
		4,025	7,407	9,533

* The borrowings costs have been capitalized at a rate of 3.5% per annum for the years ended December 31, 2023 and 2024. No borrowing cost have been capitalized for the year ended December 31, 2025.

(b) Staff costs

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits		62,243	102,655	138,933
Equity-settled share-based payment expenses recognized for directors, senior management and core employees	*26(c)*	17,009	1,961	1,816
Contributions to defined contribution retirement plan	*(i)*	5,179	7,349	8,688
		84,431	111,965	149,437

(i) The employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal governments. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal governments to the plan to fund the retirement benefits of the employee.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories	*16(b)*	96,636	215,760	361,541
Research and development expenses		41,375	59,594	47,139
Depreciation charge				
– property, plant and equipment		4,047	5,266	10,652
– right-of-use assets		2,514	1,947	4,113
Amortization of intangible assets		1,780	2,706	2,991
[REDACTED] expenses		–	–	1,295

(i) For the years ended December 31, 2023, 2024 and 2025, cost of inventories includes RMB19,985,000, RMB36,229,000, and RMB61,721,000, respectively relating to staff costs, depreciation and amortization expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) During the years ended December 31, 2023, 2024 and 2025, research and development expenses include staff cost, depreciation expense and amortization expense of RMB26,925,000, RMB35,816,000, RMB36,761,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	Note	Years ended December 31, 2023 RMB'000	2024 RMB'000	2025 RMB'000
Current tax				
Provision for the year	25(a)	2,543	3,265	2,062
Deferred tax				
Origination and reversal of temporary differences	25(b)	(3,395)	(1,210)	(4,300)
		(852)	2,055	(2,238)

(i) Pursuant to the Corporate Income Tax Law of Chinese mainland (the "**CIT**"), the Company and its subsidiaries incorporated in the PRC are subject to the CIT at a rate of 25% unless otherwise specified.

Pursuant to the PRC Corporate Income Tax Law and its relevant regulations, entities that qualified as a high technology enterprise ("**HNTE**") are entitled to a preferential income tax rate of 15%. The Company and Xindao Precision obtained the certificate of HNTE in December 2022 and December 2022, respectively. The Company and Xindao Precision renewed the certificate in December 2025 and August 2024, respectively, with a validity period of three years and therefore, are entitled to a preferential income tax rate of 15% during the Track Record Period.

For the Company's Malaysian subsidiary Waftech, with effect from the years of assessment during the Track Record Period, Small and Medium Enterprises ("**SME**") in which more than 20% of the paid-up ordinary share capital is owned by a foreign company or a non-Malaysian citizen will be subject to the income tax rate of 24%.

(ii) Effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the CIT law and its relevant regulations.

(b) Reconciliation between tax (benefit)/expense and accounting loss at applicable tax rates:

	Note	Years ended December 31, 2023 RMB'000	2024 RMB'000	2025 RMB'000
Loss before taxation		(82,672)	(61,533)	(14,968)
Income tax calculated at applicable tax rate		(12,348)	(9,827)	(2,248)
Effect of non-deductible interest on ordinary shares with redemption rights		2,453	3,024	3,428
Effect of non-deductible share-based payment expenses		2,612	480	360
Effect of other non-deductible expenses		43	31	26
Effect of unused tax losses not recognized		12,827	17,305	3,452
Effect of additional deduction on research and development expenses	7(a)(ii)	(6,439)	(8,958)	(7,256)
Actual tax (benefit)/expense		(852)	2,055	(2,238)

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

(a) Directors' and supervisors' emoluments as recorded in the Historical Financial Information are as follows:

For the year ended December 31, 2023

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	1,520	1,030	–	2,550	–	2,550
Ms. Fung Kai Ye	*(i)*	–	700	75	–	775	14,346	15,121
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Mr. Gong Liguang	*(ii)*	–	–	–	–	–	43	43
Supervisor								
Ms. Zhou Yunyu		–	494	60	68	622	111	733
Total		–	2,714	1,165	68	3,947	14,500	18,447

For the year ended December 31, 2024

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	2,138	1,413	–	3,551	–	3,551
Mr. Gong Liguang	*(ii)*	–	681	–	–	681	6	687
Ms. Fung Kai Ye	*(i)*	–	1,500	–	–	1,500	–	1,500
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Supervisor								
Ms. Zhou Yunyu		–	518	–	71	589	–	589
Total		–	4,837	1,413	71	6,321	6	6,327

For the year ended December 31, 2025

	Note	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payment expenses *(x)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors								
Ms. Ye Ying		–	2,833	940	–	3,773	–	3,773
Mr. Gong Liguang	*(ii)*	–	1,235	–	–	1,235	13	1,248
Ms. Fung Kai Ye	*(i)*	–	1,500	–	–	1,500	–	1,500
Ms. Gao Huixia	*(iii)*	–	557	–	71	628	161	789
Non-executive directors								
Ms. Chen Min	*(viii)*	–	–	–	–	–	–	–
Ms. Zhang Qian		–	–	–	–	–	–	–
Mr. Zhang Tong	*(iv)*	–	–	–	–	–	–	–
Independent non-executive director								
Mr. Ni Weixin	*(v)*	–	–	–	–	–	–	–
Supervisors								
Ms. Zhou Yunyu		–	549	–	71	620	–	620
Ms. Wang Youying	*(vi)*	–	354	–	–	354	–	354
Mr. Pan Xuejun	*(vii)*	–	603	–	71	674	–	674
Total		–	7,631	940	213	8,784	174	8,958

(i) Ms. Fung Kai Ye was appointed as an executive director of the Company in November 2023 and resigned in December 2025.

(ii) Mr. Gong Liguang resigned as a non-executive director of the Company and was reappointed as an executive director of the Company in April 2024.

(iii) Ms. Gao Huixia was appointed as an executive director of the Company in December 2025.

(iv) Mr. Zhang Tong was appointed as a non-executive director of the Company in December 2025.

(v) Mr. Ni Weixin was appointed as an independent non-executive director of the Company in December 2025.

(vi) Ms. Wang Youying was appointed as a supervisor of the Company in December 2025.

(vii) Mr. Pan Xuejun was appointed as a supervisor of the Company in December 2025.

(viii) Mr. Stephen Jin was appointed as a non-executive director, Dr. Huang Jiandong and Mr. Li Kwok Tai James were appointed as independent non-executive directors and Ms. Chen Min resigned as a non-executive director of the Company in March 2026.

(ix) In order to further optimize the governance structure of the Company, the shareholders of the Company resolved to abolish the Supervisory Committee in an extraordinary general meeting ("**EGM**") held in March 2026, each of the Supervisors has tendered his/her resignation to the Supervisory Committee and resigned as a Supervisor with effect from the conclusion of the EGM.

(x) These represent the estimated value of share-based payment granted to the directors under the Company's share-based payment scheme as set out in Note 26. The value of these share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(r) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of share-based payment granted, are disclosed in Note 26.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments, and no amounts were paid or payable by the Group to the directors and the chief executive as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two, two and three are directors whose emoluments are disclosed in Note 8 during the years ended December 31, 2023, 2024 and 2025, respectively. The aggregate of the emoluments in respect of the paid amount to remaining individuals are as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,383	2,416	2,333
Discretionary bonuses	1,325	960	–
Retirement scheme contributions	162	181	71
Equity-settled share-based payment expenses	1,274	906	358
	5,144	4,463	2,762

The emoluments of the three, three and two individuals with the highest emoluments are within the following bands:

	Years ended December 31,		
	2023	**2024**	**2025**
	Number of individuals	*Number of individuals*	*Number of individuals*
HKD1,000,001 – HKD1,500,000	–	1	1
HKD1,500,001 – HKD2,000,000	2	2	1
HKD2,000,001 – HKD2,500,000	1	–	–

During the Track Record Period, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be issued during the Track Record Period.

As described in Note 28(d)(i), the Company was converted into a joint stock limited liability company in December 2025. The Company's paid-in capital of RMB34,982,480 was converted into 34,982,480 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted loss per share, the weighted average number of shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since January 1, 2023, at the exchange ratio established in the conversion in December 2025.

(i) Loss for the year attributable to ordinary shareholders of the Company

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss attributable to equity shareholders of the Company. . .		(81,819)	(61,603)	(11,101)
Allocation of loss for the year attributable to ordinary shares with redemption rights	*23*	30,522	22,765	4,220
Loss attributable to ordinary equity shareholders of the Company. . .		(51,297)	(38,838)	(6,881)

(ii) Weighted average number of shares deemed to be in issue

	Note	Years ended December 31, 2023	2024	2025
		('000)	*('000)*	*('000)*
Ordinary shares at January 1, deemed to be in issue		14,762	33,309	33,309
Effect of shares deemed to be in issue		15,701	–	568
Effect of the ordinary shares with redemption rights	*23*	(11,364)	(12,309)	(12,877)
Weighted average number of ordinary shares at the end of the year deemed to be in issue . .		19,099	21,000	21,000

The weighted average number of ordinary shares does not take into account the impact of the share subdivision that will become effective immediately before the **[REDACTED]** (Note 32).

(b) Diluted loss per share

The ordinary shares with redemption rights (Note 23) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share during the Track Record Period.

11 PROPERTY, PLANT AND EQUIPMENT

The Group

	Note	Property *(ii)*	Equipment and machinery *(iii)*	Leasehold improvements	Vehicles *(iv)*	Computer and office equipment	Construction in progress *(i)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:								
At January 1, 2023		–	3,151	2,882	986	2,294	291	9,604
Additions		–	1,223	290	134	624	132,491	134,762
Disposals		–	–	–	–	(27)	–	(27)
Addition through acquisition of a subsidiary	*27(a)*	–	25	149	329	174	–	677
Exchange adjustments		–	15	–	14	5	–	34
At December 31, 2023 and January 1, 2024		–	4,414	3,321	1,463	3,070	132,782	145,050
Additions		–	6,977	5,164	584	4,723	37,025	54,473
Transfer from construction in progress		169,807	–	–	–	–	(169,807)	–
Disposals		–	–	(2,661)	(54)	(69)	–	(2,784)
Exchange adjustments		–	82	8	81	39	–	210
At December 31, 2024 and January 1, 2025		169,807	11,473	5,832	2,074	7,763	–	196,949
Additions		6,328	749	2,881	–	1,904	–	11,862
Disposals		–	(789)	(220)	(225)	(2)	–	(1,236)
Addition through acquisition of a subsidiary	*27(b)*	–	3	–	–	5	–	8
Exchange adjustments		–	118	30	116	95	–	359
At December 31, 2025		176,135	11,554	8,523	1,965	9,765	–	207,942
Accumulated depreciation:								
At January 1, 2023		–	(351)	–	(160)	(777)	–	(1,288)
Charge for the year		–	(556)	(2,334)	(305)	(852)	–	(4,047)
Written back on disposals		–	–	–	–	27	–	27
Exchange adjustments		–	(14)	–	(10)	(4)	–	(28)

	Note	Property *(ii)*	Equipment and machinery *(iii)*	Leasehold improvements	Vehicles *(iv)*	Computer and office equipment	Construction in progress *(i)*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023 and January 1, 2024		–	(921)	(2,334)	(475)	(1,606)	–	(5,336)
Charge for the year		(1,680)	(1,399)	(612)	(359)	(1,216)	–	(5,266)
Written back on disposals		–	–	2,661	51	45	–	2,757
Exchange adjustments		–	(81)	(1)	(64)	(25)	–	(171)
At December 31, 2024 and January 1, 2025		(1,680)	(2,401)	(286)	(847)	(2,802)	–	(8,016)
Charge for the year		(4,266)	(1,949)	(2,192)	(357)	(1,888)	–	(10,652)
Written back on disposals		–	749	220	5	4	–	978
Exchange adjustments		–	(116)	(5)	(99)	(47)	–	(267)
At December 31, 2025		(5,946)	(3,717)	(2,263)	(1,298)	(4,733)	–	(17,957)
Net book value:								
At December 31, 2023		–	3,493	987	988	1,464	132,782	139,714
At December 31, 2024		168,127	9,072	5,546	1,227	4,961	–	188,933
At December 31, 2025		170,189	7,837	6,260	667	5,032	–	189,985

Notes:

(i) Construction in progress with net book value of RMB132,782,000, RMB nil, RMB nil were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(ii) Property with net book value of RMB nil, RMB168,127,000 and RMB170,189,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(iii) Equipment and machinery with net book value of RMB nil, RMB6,246,000 and RMB5,024,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(iv) Vehicles with net book value of RMB nil, RMB345,000 and RMB272,000 were pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	Equipment and machinery	Leasehold improvements	Vehicles	Computer and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2023	3,151	2,882	986	2,294	9,313
Additions	1,134	188	134	303	1,759
At December 31, 2023 and January 1, 2024	4,285	3,070	1,120	2,597	11,072
Additions	820	4,898	117	905	6,740
Disposals	(1,989)	(2,661)	(54)	(69)	(4,773)
At December 31, 2024 and January 1, 2025	3,116	5,307	1,183	3,433	13,039
Additions	36	–	–	1,060	1,096
Disposals	(789)	(220)	–	(2)	(1,011)
At December 31, 2025	2,363	5,087	1,183	4,491	13,124
Accumulated depreciation:					
At January 1, 2023	(351)	–	(160)	(777)	(1,288)
Charge for the year	(503)	(2,310)	(216)	(724)	(3,753)
At December 31, 2023 and January 1, 2024	(854)	(2,310)	(376)	(1,501)	(5,041)
Charge for the year	(1,282)	(549)	(212)	(624)	(2,667)
Written back on disposals	631	2,661	51	45	3,388
At December 31, 2024 and January 1, 2025	(1,505)	(198)	(537)	(2,080)	(4,320)
Charge for the year	(335)	(1,946)	(225)	(721)	(3,227)
Written back on disposals	749	220	–	1	970
At December 31, 2025	(1,091)	(1,924)	(762)	(2,800)	(6,577)
Net book value:					
At December 31, 2023	3,431	760	744	1,096	6,031
At December 31, 2024	1,611	5,109	646	1,353	8,719
At December 31, 2025	1,272	3,163	421	1,691	6,547

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

The Group

	Note	**Land use right** *(i)*	**Properties leased for own use carried at cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023		–	5,723	5,723
Additions		12,298	1,596	13,894
Addition through acquisition of a subsidiary	*27(a)*	–	442	442
Exchange adjustments		–	8	8
At December 31, 2023 and January 1, 2024		12,298	7,769	20,067
Additions		–	9,888	9,888
Termination of lease		–	(7,327)	(7,327)
Exchange adjustments		–	41	41
At December 31, 2024 and January 1, 2025		12,298	10,371	22,669
Additions		–	1,002	1,002
Addition through acquisition of a subsidiary	*27(b)*	–	668	668
Exchange adjustments		–	229	229
At December 31, 2025		12,298	12,270	24,568
Accumulated depreciation:				
At January 1, 2023		–	(3,230)	(3,230)
Charge for the year		(203)	(2,311)	(2,514)
Exchange adjustments		–	(3)	(3)
At December 31, 2023 and January 1, 2024		(203)	(5,544)	(5,747)
Charge for the year		(248)	(1,699)	(1,947)
Termination of lease		–	5,985	5,985
Exchange adjustments		–	(19)	(19)

	Note	**Land use right** *(i)*	**Properties leased for own use carried at cost**	**Total**
		RMB'000	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025		(451)	(1,277)	(1,728)
Charge for the year		(246)	(3,867)	(4,113)
Exchange adjustments		–	(82)	(82)
At December 31, 2025		(697)	(5,226)	(5,923)
Net book value:				
At December 31, 2023		12,095	2,225	14,320
At December 31, 2024		11,847	9,094	20,941
At December 31, 2025		11,601	7,044	18,645

(i) Land use right with net book value of RMB12,095,000, RMB11,847,000 and RMB11,601,000 was pledged as collaterals for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	Properties leased for own use carried at cost
	RMB'000
Cost:	
At January 1, 2023	5,723
Additions	1,604
At December 31, 2023 and January 1, 2024	7,327
Additions	7,436
Termination of lease	(7,327)
At December 31, 2024 and January 1, 2025 and December 31, 2025	7,436
Accumulated depreciation:	
At January 1, 2023	(3,230)
Charge for the year	(2,314)
At December 31, 2023 and January 1, 2024	(5,544)
Charge for the year	(903)
Termination of lease	5,985
At December 31, 2024 and January 1, 2025	(462)
Charge for the year	(2,514)
At December 31. 2025	(2,976)
Net book value:	
At December 31, 2023	1,783
At December 31, 2024	6,974
At December 31, 2025	4,460

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

		Years ended December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:				
– Land use right	*(i)*	203	248	246
– Office buildings	*(ii)*	2,311	1,699	3,867
		2,514	1,947	4,113
Interest on lease liabilities	*6(a)*	62	89	165
Expense relating to short-term leases		618	813	1,212

(i) During the year ended December 31, 2023, the Group acquired the land use right for land parcels located at Hai Ning, Zhe Jiang, the PRC, for the purpose of the construction of office and manufacturing facilities. The land use right is granted for 50 years.

(ii) The Group has leased properties for own use through tenancy agreements. The leases typically run for an initial period of 2 to 5 years. None of the leases includes variable lease payments.

The total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 19(d) and Note 22, respectively.

13 INTANGIBLE ASSETS

The Group

	Note	Patents	Software	Customer relationships	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2023		–	2,740	–	2,740
Additions		–	2,983	–	2,983
Addition through acquisition of a subsidiary	*27(a)*	3,972	189	11,917	16,078
Exchange adjustments		36	13	105	154
At December 31, 2023 and January 1, 2024		4,008	5,925	12,022	21,955
Additions		–	991	–	991
Exchange adjustments		204	77	612	893
At December 31, 2024 and January 1, 2025		4,212	6,993	12,634	23,839
Additions		–	503	–	503
Addition through acquisition of a subsidiary	*27(b)*	13,900	–	9,800	23,700
Exchange adjustments		291	113	874	1,278
At December 31, 2025		18,403	7,609	23,308	49,320
Accumulated amortization:					
At January 1, 2023		–	(725)	–	(725)
Charge for the year		(82)	(1,592)	(106)	(1,780)
Exchange adjustments		–	(11)	(1)	(12)
At December 31, 2023 and January 1, 2024		(82)	(2,328)	(107)	(2,517)
Charge for the year		(421)	(949)	(1,336)	(2,706)
Exchange adjustments		(2)	(69)	(5)	(76)

	Note	Patents	Software	Customer relationships	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024 and January 1, 2025		(505)	(3,346)	(1,448)	(5,299)
Charge for the year		(798)	(519)	(1,674)	(2,991)
Exchange adjustments		(32)	(102)	(100)	(234)
At December 31, 2025		(1,335)	(3,967)	(3,222)	(8,524)
Net book value:					
At December 31, 2023		3,926	3,597	11,915	19,438
At December 31, 2024		3,707	3,647	11,186	18,540
At December 31, 2025		17,068	3,642	20,086	40,796

Note:

(i) The amortization charge for the Track Record Period is included in "Cost of sales", "Selling and marketing expenses" and "Research and development expenses" in the consolidated statement of profit or loss.

The Company

	Software
	RMB'000
Cost:	
At January 1, 2023	2,740
Additions	2,911
At December 31, 2023 and January 1, 2024	5,651
Additions	2,455
At December 31, 2024 and January 1, 2025	8,106
Additions	473
At December 31, 2025	8,579
Accumulated amortization:	
At January 1, 2023	(725)
Charge for the year	(1,562)
At December 31, 2023 and January 1, 2024	(2,287)
Charge for the year	(2,441)
At December 31, 2024 and January 1, 2025	(4,728)
Charge for the year	(487)
At December 31, 2025	(5,215)
Net book value:	
At December 31, 2023	3,364
At December 31, 2024	3,378
At December 31, 2025	3,364

14 GOODWILL

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost	*27*	6,977	6,977	62,473
Exchange adjustment		62	420	904
Accumulated impairment loss		–	–	–
Total		7,039	7,397	63,377

Goodwill arose from the Group's acquisition of Waftech in 2023 and Xindao Wuxi in 2025, respectively (see Note 27).

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generation units ("**CGU**") as follow:

Name of CGU	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Waftech	*27(a)*	7,039	7,397	7,908
Xindao Wuxi	*27(b)*	–	–	55,469
Total		7,039	7,397	63,377

The recoverable amounts of the respective CGUs are determined based on the value-in-use ("**VIU**") calculation. The Group engaged an independent professional valuer to assist with the calculation. As at December 31, 2023, 2024 and 2025, these calculations use cash flow projections based on financial budgets approved by management covering five-year to seven-year forecast period (the "**Forecast Period**"). Cash flows of Waftech and Xindao Wuxi beyond the Forecast Period are extrapolated using estimated terminal growth rates of 2.0% and 1.5%, respectively. The discount rates used are pre-tax and reflect specific risks relating to the relevant industry, the CGUs themselves and macro-environment of the relevant region. Key assumptions are set out as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Waftech	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*
Annual growth rate of revenue for forecast period	-51.4%-172.7%	Not applicable	20.0%-172.7%	Not applicable	20.0%-78.6%	10.0%-416.7%
Gross profit margin	27.4%-47.0%	Not applicable	29.2%-47.0%	Not applicable	39.8%-47.0%	28.5%-34.3%
Pre-tax discount rate	18.2%	Not applicable	19.4%	Not applicable	19.4%	17.2%

(i) The basis used to determine the value assigned to the annual growth rate of revenue was based on the average growth levels experienced over the past years and the estimated sales volume and price growth for the Forecast Period.

Detail of the headroom calculated based on the recoverable amounts deducting the carrying amount of the CGU is set out as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Xindao Wuxi	–	–	9,014
Waftech	3,843	4,970	18,302

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the Forecast Period, gross profit margin and pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as at December 31, 2023, 2024 and 2025.

	As at December 31,2023		As at December 31,2024		As at December 31,2025	
	Waftech	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*	*Waftech*	*Xindao Wuxi*
Annual growth rate of revenue for forecast period	-0.4%	Not applicable	-0.4%	Not applicable	-0.9%	-0.8%
Gross profit margin	-0.4%	Not applicable	-0.9%	Not applicable	-2.1%	-0.9%
Pre-tax discount rate.	+0.4%	Not applicable	+1.2%	Not applicable	+3.3%	+0.8%

The Company performs impairment test on goodwill at each reporting date. The recoverable amount of the CGU based on the value-in-use ("**VIU**") calculations is higher than its carrying amount as at December 31, 2023, 2024 and 2025. With regard to the assessment of the VIU of the CGUs, the directors of the Company believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

15 INVESTMENT IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries	74,896	75,279	155,678

Particulars of the subsidiaries are set out in Note 1.

16 INVENTORIES AND CONTRACT COSTS

(a) Inventories and contract costs in the consolidated statements of financial position comprise:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Inventories			
Raw materials	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
	164,403	231,214	272,502
Contract costs	4,553	6,262	17,188
Total	168,956	237,476	289,690

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Inventories			
Raw materials	67,964	61,911	66,405
Work in progress	15,115	43,007	69,704
Finished goods	25,336	17,694	15,319
Goods delivered to customers	47,875	94,574	106,827
	156,290	217,186	258,255
Contract costs	2,192	3,603	11,736
Total	158,482	220,789	269,991

Inventories with carrying amount of RMB nil, RMB54,481,000 and RMB11,885,000 have been pledged as security for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	95,247	213,951	359,273
Write-down of inventories and contract costs	1,389	1,809	2,268
	96,636	215,760	361,541

Net realisable value of inventories and contract costs is 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. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions.

17 TRADE AND BILLS RECEIVABLE

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivable			
Gross amount of trade receivables	38,747	92,297	142,736
Less: loss allowance	(391)	(1,472)	(3,015)
	38,356	90,825	139,721
Bills receivable, carried at amortised cost	–	–	2,781
Bills receivable, measures at FVOCI	–	–	209
Trade and bills receivable	38,356	90,825	142,711

All of the current portion of trade and bills receivable are expected to be recovered or recognized as expense within one year.

Trade receivables with carrying amount of RMB nil, RMB20,442,000 and RMB nil have been pledged as security for interest-bearing borrowings (Note 20(b)) as at December 31, 2023, 2024 and 2025, respectively.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivable			
Gross amount of trade receivables	16,677	77,020	116,132
Amounts due from subsidiaries	3,960	–	13,704
Less: loss allowance	(334)	(753)	(1,814)
	20,303	76,267	128,022
Bills receivable, carried at amortised cost	–	–	2,781
Bills receivable, measures at FVOCI	–	–	209
Trade and bills receivable	20,303	76,267	131,012

Aging analysis

As at the end of each reporting period, the aging analysis of trade receivables, based on the revenue recognition date and net of loss allowance on expected credit losses, is as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1-6 months	35,945	89,575	125,838
7-12 months	2,405	1,062	12,053
More than 12 months	6	188	1,830
	38,356	90,825	139,721

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
1-6 months	18,537	76,079	114,566
7-12 months	1,760	–	12,053
More than 12 months	6	188	1,403
	20,303	76,267	128,022

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 29(a).

18 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Prepayments	50,471	21,909	14,622
Contract assets	86	72	1,022
Other receivables			
– Deposits	1,335	1,282	2,128
– Value-Added tax recoverable	6,050	11,354	5,139
– Capital injection deposits in transit	–	11,409	–
– Prepayments for **[REDACTED]** expenses	–	–	432
– Others	196	508	1,376
Subtotal of other receivables	7,581	24,553	9,075
Non-current assets			
Prepayment for purchase of property, plant and equipment and right-of-use assets	–	3,836	4,140
Rental deposits	–	772	772
	–	4,608	4,912
	58,138	51,142	29,631

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Prepayments	49,846	20,612	11,665
Amounts due from subsidiaries	15,036	19,067	25,393
Contract assets	86	72	1,022
Other receivables			
– Deposits	1,048	207	1,098
– Capital injection deposits in transit	–	11,409	–
– Prepayments for **[REDACTED]** expenses	–	–	432
– Others	107	244	401
Subtotal of other receivables	1,155	11,860	1,931
Non-current assets			
Prepayment for purchase of property, plant and equipment and right-of-use assets	–	–	501
Rental deposits	–	772	772
	–	772	1,273
	66,123	52,383	41,284

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

		As at December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Cash at banks		59,398	17,149	93,270
Less: Pledged bank deposits	*(i)*	(2,880)	(1,310)	–
Cash and cash equivalents in the consolidated cash flow statement		56,518	15,839	93,270

(i) The Group's pledged bank deposits mainly represented deposits pledged for bank borrowings as at December 31, 2023, 2024 and 2025.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	36,057	14,280	77,383

(b) Reconciliation of loss before taxation to cash (used in)/generated from operations:

		Years ended December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before taxation		(82,672)	(61,533)	(14,968)
Adjustments for:				
Depreciation of property, plant and equipment	*6(c)*	4,047	5,266	10,652
Depreciation of right-of-use assets	*6(c)*	2,514	1,947	4,113
Amortisation of intangible assets	*6(c)*	1,780	2,706	2,991
Changes in the carrying amount of ordinary shares with redemption rights	*23*	16,355	20,160	22,855
Other finance costs	*6(a)*	4,025	7,407	9,533
Net (gain)/loss on disposal of property, plant and equipment and right-of use assets	*5*	(31)	9	(314)
Equity-settled share-based payment expenses	*26(c)*	17,414	3,199	2,402
Write-down of inventories and contract costs	*16(b)*	1,389	1,809	2,268
Impairment losses on trade receivables		215	1,056	1,484
Changes in working capital:				
Increase in inventories and contract costs		(29,735)	(70,329)	(54,482)
Increase in trade and bills receivable		(21,594)	(53,550)	(53,429)
(Increase)/decrease in prepayments and other receivables		(7,752)	10,832	21,815
Increase in trade and other payables		3,424	107,273	43,832
Decrease in pledged bank deposits		2,962	1,570	1,310
Increase/(decrease) in deferred income		11,398	(129)	6,038
Cash (used in)/generated from operations		(76,261)	(22,307)	6,100

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Note	**Interest-bearing borrowings**	**Ordinary shares with redemption rights**	**Lease liabilities**	**Interest payable**	**Total**
		RMB'000 *(Note 20)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 22)*	*RMB'000* *(Note (i))*	*RMB'000*
At January 1, 2023		68,652	198,065	2,744	165	269,626
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		211,927	–	–	–	211,927
Repayment of interest-bearing borrowings		(88,187)	–	–	–	(88,187)
Interest paid		–	–	(62)	(4,141)	(4,203)
Issuance of ordinary shares with redemption rights	*23*	–	70,000	–	–	70,000
Payment of capital element of lease liabilities		–	–	(1,899)	–	(1,899)
Total changes from financing cash flows		123,740	70,000	(1,961)	(4,141)	187,638
Exchange adjustments		(1)	–	–	–	(1)
Other changes:						
Interest expenses	*6(a), 23*	–	16,355	62	4,175	20,592
Increase from acquisition of a subsidiary	*27(a)*	3,397	–	454	–	3,851
Increase in lease liabilities from entering into new leases during the year		–	–	1,596	–	1,596
At December 31, 2023		195,788	284,420	2,895	199	483,302

	Note	**Interest-bearing borrowings**	**Ordinary shares with redemption rights**	**Lease liabilities**	**Interest payable**	**Total**
		RMB'000 *(Note 20)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 22)*	*RMB'000* *(Note (i))*	*RMB'000*
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		229,766	–	–	–	229,766
Repayment of interest-bearing borrowings		(172,963)	–	–	–	(172,963)
Interest paid		–	–	(89)	(7,835)	(7,924)
Payment of capital element of lease liabilities		–	–	(2,344)	–	(2,344)
Total changes from financing cash flows		56,803	–	(2,433)	(7,835)	46,535
Exchange adjustments		1	–	–	–	1
Other changes:						
Interest expenses	*6(a), 23*	–	20,160	89	8,382	28,631
Increase in lease liabilities from entering into new leases during the year		–	–	9,888	–	9,888
Decrease in lease liabilities from ceasing leases contract during the year		–	–	(702)	–	(702)
At December 31, 2024		252,592	304,580	9,737	746	567,655
At January 1, 2025		252,592	304,580	9,737	746	567,655

	Note	Interest-bearing borrowings	Ordinary shares with redemption rights	Lease liabilities	Interest payable	Total
		RMB'000 (*Note 20*)	*RMB'000* (*Note 23*)	*RMB'000* (*Note 22*)	*RMB'000* (*Note (i)*)	*RMB'000*
Changes from financing cash flows:						
Proceeds from interest-bearing borrowings		274,651	–	–	–	274,651
Repayment of interest-bearing borrowings		(225,893)	–	–	–	(225,893)
Issuance of ordinary shares with redemption rights	23	–	100,000	–	–	100,000
Interest paid		–	–	(165)	(9,865)	(10,030)
Payment of capital element of lease liabilities		–	–	(4,110)	–	(4,110)
Total changes from financing cash flows		48,758	100,000	(4,275)	(9,865)	134,618
Exchange adjustments		–	–	–	–	–
Other changes:						
Interest expenses	6(a), 23	–	22,855	165	9,368	32,388
Increase from acquisition of a subsidiary	27(b)	–	–	418	–	418
Increase in lease liabilities from entering into new leases during the year		–	–	1,002	–	1,002
At December 31, 2025		301,350	427,435	7,047	249	736,081

Note (i): Interest payable is included in trade and other payables as disclosed in Note 21.

(d) Total cash outflow for leases

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	618	813	1,212
Within investing cash flows	12,298	–	3,524
Within financing cash flows	1,961	2,433	4,275
	14,877	3,246	9,011

(e) Net cash outflow arising from the acquisition of a subsidiary

	Note	Years ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Total consideration paid in cash	*27*	32,321	–	34,734
Less: cash of subsidiary acquired	*27*	(3,643)	–	(2,695)
		28,678	–	32,039

20 INTEREST-BEARING BORROWINGS

(a) As at the end of each reporting period, the carrying amount of interest-bearing borrowings is as follows :

The Group

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	14,848	47,469	38,178
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	134,688	84,675	166,139
Unsecured and unguaranteed interest-bearing borrowings from banks	*(iii)*	5,000	25,000	–
		154,536	157,144	204,317
Non-current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	36,077	95,448	64,014
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	5,175	–	33,019
		41,252	95,448	97,033
Total		195,788	252,592	301,350

The Company

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	10,000	46,000	5,204
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	134,688	84,675	166,139
Unsecured and unguaranteed interest-bearing borrowings from banks	*(iii)*	5,000	25,000	–
		149,688	155,675	171,343
Non-current				
Secured interest-bearing borrowings from banks and other financial institutions	*(i)*	–	–	12,497
Unsecured and guaranteed interest-bearing borrowings from banks	*(ii)*	5,175	–	33,019
		5,175	–	45,516
Total		154,863	155,675	216,859

(i) Secured interest-bearing borrowings from banks and other financial institutions carried interest at annual rates ranging from 3.20% to 3.50%, 2.85% to 4.80% and 2.85% to 4.20%, as at December 31, 2023, 2024 and 2025, respectively.

(ii) Unsecured and guaranteed interest-bearing borrowings from banks carried interest at annual rates ranging from 3.35% to 3.50%, 2.70% to 3.35% and 2.40% to 3.50%, as at December 31, 2023, 2024 and 2025, respectively.

(iii) Unsecured and unguaranteed interest-bearing borrowings from banks carried interest at annual rates ranging from 3.65%, 2.80% to 3.45% and nil, as at December 31, 2023, 2024 and 2025, respectively.

(b) Assets pledged as security and covenants for loans and borrowings:

As at the end of each reporting period, the following assets of the Group had been pledged to secure for the Group's interest-bearing borrowings.

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Inventories	*16*	–	54,481	11,885
Trade and bills receivable	*17*	–	20,442	–
Pledged bank deposits	*19(a)*	2,880	1,310	–
Property, plant and equipment	*11*	132,782	174,718	175,485
Right-of-use assets – land use right	*12*	12,095	11,847	11,601

As at December 31, 2023, 2024 and 2025, interest-bearing borrowings from banks of RMB nil , RMB nil and RMB13,866,000, respectively were guaranteed by Shares of Wuxi Xindao held by the Company.

As at December 31, 2023, 2024 and 2025, secured interest-bearing borrowings from banks of RMB45,379,000, RMB135,657,000 and RMB95,402,000 and unsecured and guaranteed loans interest-bearing borrowings from banks of RMB139,863,000, RMB84,675,000 and RMB199,158,000, respectively were guaranteed by Ms. Ye Ying, the executive Director, Chairlady and controlling shareholder of the Company ("**Ms. Ye**").

Certain banking facilities of the Company are subject to the fulfilment of covenants relating to the financial result of the Company. If the Company was to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. During the Track Record Period, none of the covenants relating to drawn down facilities had been breached.

21 TRADE AND OTHER PAYABLES

The Group

	Note	**As at December 31,**		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Trade payables		13,289	59,992	84,823
Contract liabilities	*(i)*	30,824	79,717	79,114
Other payables				
– Payroll payables		13,909	14,384	21,327
– Construction and equipment payables		62,397	59,598	40,796
– Other taxes and surcharges payables		3,700	4,382	5,787
– Payable for acquisition of a subsidiary	*27 (b)*	–	–	33,200
– Provision		1,691	2,450	6,513
– Others		2,004	10,061	12,907
		127,814	230,584	284,467

(i) The amount of revenue recognized for the year ended December 31, 2023, 2024 and 2025, were included in the contract liabilities balance at the beginning of the year were RMB27,312,000, RMB28,572,000, RMB57,564,000, respectively.

(ii) All trade and other payables are to be settled within one year or are repayable on demand.

The Company

	Note	**As at December 31,**		
		2023	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Trade payables		10,701	51,097	70,809
Contract liabilities		27,916	79,141	75,728
Other payables				
– Payroll payables		7,976	8,646	13,003
– Amounts due to subsidiaries		1,438	14,065	11,197
– Other taxes and surcharges payables		3,405	3,157	3,811
– Payable for acquisition of a subsidiary	*27 (b)*	–	–	33,200
– Provision		1,687	2,437	5,764
– Others		1,159	9,903	7,140
		54,282	168,446	220,652

As of the end of each reporting period, the ageing analysis of trade payables based on the invoice date is as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	12,761	58,186	82,220
After 1 year but within 2 years	412	1,315	1,218
After 2 years but within 3 years	116	381	930
Over 3 years	–	110	455
Total	13,289	59,992	84,823

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	10,173	49,291	69,219
After 1 year but within 2 years	412	1,315	252
After 2 years but within 3 years	116	381	883
Over 3 years	–	110	455
Total	10,701	51,097	70,809

22 LEASE LIABILITIES

At December 31, 2023, 2024 and 2025, the lease liabilities were repayable as follows:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,650	3,905	4,436
After 1 year but within 2 years	965	3,907	1,964
After 2 years but within 5 years	280	1,925	647
	1,245	5,832	2,611
	2,895	9,737	7,047

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,166	2,762	2,706
After 1 year but within 2 years	643	2,589	1,732
After 2 years but within 5 years	280	1,925	–
	923	4,514	1,732
	2,089	7,276	4,438

23 ORDINARY SHARES WITH REDEMPTION RIGHTS

Since the date of incorporation to December 31, 2025, the Company has completed several rounds of financing by issuing shares with preferred rights to investors, namely, Series Angel Financing, Series Pre-A, Series A, Series B, Series B+, Series C (the "**Pre-[REDACTED] Investors**").

Distribution upon occurrence of deemed liquidation events

Pursuant to the agreements between the Company and its Pre-**[REDACTED]** Investors, upon the occurrence of any deemed liquidation events, among other events, including: (i) a substantial breach on the agreement by the Company or the founders; (ii) a change in the actual controllers of the Company, the Pre-**[REDACTED]** Investors with preferred rights will be entitled to receive distributions from such events and require the Company to redeem all their shares (or paid-in capital before the Company's conversion into a joint stock company), according to the following orders as specified in the shareholders' agreements:

a. the distribution in amount the respective subscription consideration plus a simple interest at interest rate of 8% per annum. In the order of Series C Investor, Series B+ Investors, Series B Investors, Series A Investor, Series Pre-A Investor and Angel Financing Investor.

b. Remaining assets and funds shall be distributed ratably among all shareholders with preferred rights according to the relative number of ordinary shares (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)).

Presentation and classification

As the Group did not have an unconditional right to avoid redeeming the investment of the Company for cash, the Group recognized financial liabilities for the obligation to redeem these shares (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)) that were initially measured at the present value of the distributions amount, which represents the amount expected to be paid to the investors with preferred rights upon occurrence of the events with the highest settlement outcome in accordance with the accounting policies set out in Note 2(o).

The movements of the ordinary shares with redemption rights during the Track Record Period are set out as below:

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	198,065	284,420	304,580
Issued during the year	70,000	–	100,000
Changes in the carrying amount of ordinary shares with redemption rights	16,355	20,160	22,855
At the end of the year	284,420	304,580	427,435
Presented in			
– Current liabilities	284,420	304,580	427,435

Special rights granted by Ms. Ye, the controlling shareholder of the Company

In connection with the above financing, certain Pre-**[REDACTED]** Investors had been granted certain customary special rights against the controlling shareholder of the Company including, among others, redemption rights. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by the controlling shareholder of the Company; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by the controlling shareholder of the Company in the event of a default by the controlling shareholder of the Company. Accordingly, no financial liability has been recorded in the Historical Financial Information with respect to these special rights granted to the Pre-**[REDACTED]** Investors by the controlling shareholder of the Company.

24 DEFERRED INCOMES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	11,398	11,269	17,307

Government grants are related to assets which were obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets and land use right.

25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year		–	2,888	3,120
Acquisition of a subsidiary	27(a)	413	–	–
Provision for the year		2,543	3,265	2,062
Tax paid		(68)	(3,033)	(5,076)
At the end of the year		2,888	3,120	106

(b) Deferred tax assets and liabilities recognized:

(i) The components of deferred tax assets/(liabilities) recognized in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Note	Deferred income	Write down of inventory and expected credit loss allowance	Unrealized profits from internal transactions	Lease liabilities	Right-of-use assets	Fair value adjustment in relation to acquisition of subsidiaries	Provision and others	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023		–	26	–	412	(374)	–	144	208
Acquisition of a subsidiary	27 (a)	–	226	–	7	–	(3,813)	186	(3,394)
Credited/(charged) to profit or loss		2,849	342	–	(96)	106	33	161	3,395
Exchange adjustments		–	(74)	–	(2)	–	(34)	(51)	(161)
At December 31, 2023		2,849	520	–	321	(268)	(3,814)	440	48
(Charged)/credited to profit or loss		(32)	783	295	760	(1,087)	347	144	1,210
Exchange adjustments		–	(31)	–	12	–	(119)	(7)	(145)
At December 31, 2024		2,817	1,272	295	1,093	(1,355)	(3,586)	577	1,113
Acquisition of subsidiaries	27 (b)	–	–	–	104	(193)	(3,555)	–	(3,644)
Credited/(charged) to profit or loss		1,509	327	917	530	565	446	6	4,300
Exchange adjustments		–	(16)	–	(24)	–	(154)	15	(179)
At December 31, 2025		4,326	1,583	1,212	1,703	(983)	(6,849)	598	1,590

(ii) Reconciliation to the consolidated statement of financial position

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognized in the consolidated statement of financial position	3,991	5,068	8,912
Net deferred tax liabilities recognized in the consolidated statement of financial position . . .	(3,943)	(3,955)	(7,322)
	48	1,113	1,590

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(s), as at 31 December 2023, 2024 and 2025, the Company and its subsidiaries have not recognized deferred tax assets in respect of their cumulative tax losses of RMB172,927,000, RMB272,769,000 and RMB338,198,000, respectively, as they have been loss-making for years and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilized. The tax losses arising from operations in Chinese mainland can be carried forward to offset against taxable profits of subsequent years for up to five years (or ten years for HNTE), from the year in which they arose.

26 SHARE-BASE PAYMENT TRANSACTIONS

(a) Restricted Share Unit Scheme

The Group has adopted a share-based incentive plans since 2021 (the "**Incentive Plans**"), pursuant to which, the Group granted restricted share units (the "**RSUs**") to the eligible participants of the Group who has contributed or will contribute to the development of business of the Group. The participant of the Incentive Plans invested in the Company by holding interests in three shareholding platform (the "**Platform**"), through which they acquired shares of the Company (or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i)) from the existing shareholder. The restricted shares are subject to certain transfer and disposal restrictions until the completion of the vesting. These RSUs contains certain service conditions will vest in instalments over an explicit vesting period.

(i) The term and conditions of the restricted shares are as follows:

	Number of restricted shares	Purchase price	Vesting period
		RMB per share	
Restricted shares granted to directors, senior management and core employees:			
From April 1,2021 to May 10,2023	1,415,000	2.00	From the date of granted to three years after the date of completion of a qualified **[REDACTED]***
June 25, 2023	900,000	2.00	Immediate vested from the date of granted
From October 21,2024 to December 20,2025.	835,000	2.00–3.00	From the date of granted to three years after the date of completion of a qualified **[REDACTED]***
	3,150,000		
Restricted shares granted to non-employee consultants:			
From October 30, 2021 to September 8, 2022.	700,000	2.00	Immediate vested from the date of grant
From July 6, 2023 to December 15, 2024	141,000	4.00–15.00	Immediate vested from the date of grant
December 20, 2025.	100,000	15.00	Immediate vested from the date of grant
	941,000		
	4,091,000		

* Qualified **[REDACTED]** refers to an **[REDACTED]** ("**[REDACTED]**") that meets specific predefined legal, financial, or contractual criteria set by regulators, investors, or agreements.

As set out in Note 28(d), the Company was converted from a limited liability company into a joint stock limited liability company on December 31, 2025. For determining share-base payment transactions, the number of shares in issue before the Company's conversion into a joint stock limited liability company were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on granted date at the conversion ratio established in December 2025.

(ii) Movements in the number of restricted shares and the respective weighted average grant date fair value are as below:

	Years ended December 31,		
	2023	**2024**	**2025**
Outstanding as at the beginning of the year	1,215,000	1,205,000	1,350,000
Granted during the year	1,166,000	300,000	710,000
Vesting during the year	(966,000)	(75,000)	(100,000)
Forfeited during the year	(210,000)	(80,000)	(150,000)
Outstanding as at the end of the year	1,205,000	1,350,000	1,810,000

(iii) Fair value of RSUs and assumptions

The fair value of services received in return for RSUs is measured by reference to the fair value of RSUs granted. The estimate of the fair value of the newly granted share option is measured based on an equity allocation model, DCF method and Back-solve method.

	Years ended December 31,		
Fair value of restricted shares and assumptions	**2023**	**2024**	**2025**
Fair value at grant date	RMB2.94 to RMB15.94	RMB13.98 to RMB15.98	RMB4.54 to RMB16.54
Exercise price	RMB2.00 to RMB15.00	RMB2.00 to RMB4.00	RMB3.00 to RMB15.00
Expected volatility	44.90%	45.20%	46.10%
Risk-free interest	2.50%	1.30%	1.60%

(b) Share option

The Group has adopted a share option scheme since 2020 (the "**Option Scheme**"), whereby the chairlady of the board of director of the Company is authorised for further implementation. Each option gives the eligible persons the right to subscribe for one ordinary share ((or paid-in capital before the Company's conversion into a joint stock company (see Note 28(d)(i))) of the Company from the existing shareholder by holding interests in the Platform.

(i) The terms and conditions of the share option are as follows:

Grant date	**Number of instruments**	**Vesting conditions**	**Contractual life of options**
Share option granted to directors, senior management and core employees:			
From March 17, 2020 to October 31, 2020 .	1,505,000	25% – 1 year after the grant date 25% – 2 years after the grant date 25% – 3 years after the grant date 25% – 4 years after the grant date	6 years from exercisable date
From January 1, 2021 to January 3, 2021 . .	1,280,000	33% – 1 year after the grant date 33% – 2 years after the grant date 34% – 3 years after the grant date	6 years from exercisable date
From January 4, 2021 to September 12, 2022	600,000	20% – 1 year after the grant date 20% – 2 years after the grant date 30% – 3 years after the grant date 30% – 4 years after the grant date	6 years from exercisable date
	3,385,000		

As set out in Note 28(d), the Company was converted from a limited liability company into a joint stock limited liability company on December 31, 2025. For determining share-base payment transactions, the number of shares in issue before the Company's conversion into a joint stock limited liability company were deemed to be the weighted average number of ordinary shares as if the above conversion had occurred on granted date at the conversion ratio established in December 2025.

(ii) The number and weighted average exercise prices of share options are as follows:

	2023		2024		2025	
	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
Outstanding at the beginning of the year	RMB1.29	1,075,000	RMB1.30	771,500	RMB1.29	506,000
Exercised during the year	RMB1.33	(243,500)	RMB1.31	(265,500)	RMB1.17	(436,000)
Forfeited during the year	RMB1.00	(60,000)		–		–
Outstanding at the end of the year	RMB1.30	771,500	RMB1.29	506,000	RMB2.00	70,000
Exercisable at the end of the year	RMB1.00	360,000	RMB1.00	360,000		–

The weighted average share price at the date of exercise for shares options exercised during the years ended December 31, 2023, 2024 and 2025, were RMB17.05, RMB17.98 and RMB19.54, respectively.

The options outstanding at December 31, 2023, 2024 and 2025 had an exercise price of RMB1.00 or RMB2.00, RMB1.00 or RMB2.00 and RMB2.00, respectively and a weighted average remaining contractual life of 5.5 years, 5.3 years and 6 years, respectively.

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the newly granted share option is measured based on option pricing model, DCF method and Back-solve method.

There was no share option grated during the years ended December 31, 2023,2024 and 2025, respectively.

(c) Equity-settled share-based payment expenses recognized in the consolidated statement of profit or loss during the Track Record Period

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Equity-settled share-based payment expenses recognized for directors, senior management and core employees *(Note 6(b))*	17,009	1,961	1,816
Equity-settled share-based payment expenses recognized for non-employee consultants	405	1,238	586
Equity-settled share-based payment expenses	17,414	3,199	2,402

27 ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Waftech

Pursuant to a sales and purchase agreement, the Company acquired 70% of the equity interests of Waftech from its former shareholders which are third parties of the Group on December 14, 2023 (the "**2023 Acquisition Date**"). The total consideration was a cash consideration of MYR 21,000,000 (equivalent to RMB32,321,000).

The following table summarized the fair value of assets and liabilities assumed at the 2023 Acquisition Date.

	Note	*RMB'000*
Cash and cash equivalents	*19(e)*	3,643
Inventories		10,154
Property, plant and equipment	*11*	677
Intangible assets	*(i)*	16,078
Right-of-use assets		442
Other net identifiable assets		11,583
Lease liabilities		(454)
Interest-bearing borrowings		(3,397)
Deferred tax liabilities	*25(b)*	(3,394)
Total identifiable net assets		35,332

(i) Intangible assets arising from the acquisition mainly represent patents and customer relationships. The Group has engaged an external valuation firm to perform fair value assessments on these intangible assets in accordance with IAS 38 intangible Assets and IFRS 3 Business Combination. The valuation techniques used for measuring fair value are relief-from-royalty method and multi-period excess earnings method.

The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Goodwill arising from the acquisition has been recognized as follow:

	Note	*RMB'000*
Consideration:		
– cash paid in the year ended December 31, 2023		32,321
Total consideration		32,321
Add: NCI arising from the acquisition, based on proportionate interest in the recognized assets and liabilities of Waftech		9,988
Less: fair value of identifiable net assets		(35,332)
Goodwill	*14*	6,977

Net cash outflow arising on the acquisition:

	Note	*RMB'000*
Total consideration in cash		32,321
Less: cash acquired		(3,643)
Net cash outflow in acquisition	*19(e)*	28,678

The revenue and net loss that Waftech contributed to the Group during the period from December 15, 2023 to December 31, 2023 were RMB1,924,000 and RMB765,000, respectively. If the acquisition had occurred on January 1, 2023, management estimates that the Group's consolidated revenue and consolidated loss for the year ended December 31, 2023 would have been RMB164,109,000 and RMB75,763,000, respectively.

(b) Acquisition of Xindao Wuxi

Pursuant to a series of sales and purchase agreements, the Company acquired total of 51.78% of the equity interests of Xindao Wuxi from its former shareholders which are third parties of the Group on October 17, 2025 (the "**2025 Acquisition Date**"). The total consideration was a cash consideration of RMB67,934,000.

The following table summarized the recognized fair value of assets and liabilities assumed at the 2025 Acquisition Date.

	Note	*RMB'000*
Cash and cash equivalents	*19(e)*	2,695
Inventories		792
Property, plant and equipment	*11*	8
Intangible assets	*(i)*	23,700
Right-of-use assets		668
Other net identifiable assets		274
Lease liabilities		(418)
Deferred tax liabilities	*25(b)*	(3,644)
Total identifiable net assets		24,075

(i) Intangible assets arising from the acquisition mainly represent patents and customer relationships. The Group has engaged an external valuation firm to perform fair value assessments on these intangible assets in accordance with IAS 38 intangible Assets and IFRS 3 Business Combination. The valuation techniques used for measuring fair value are relief-from-royalty method and multi-period excess earnings method.

The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Goodwill arising from the acquisition has been recognized as follow:

	Note	*RMB'000*
Consideration:		
– cash paid in the year ended December 31, 2025		34,734
– cash will be paid in the future		33,200
Total consideration		67,934
Add: NCI arising from the acquisition, based on proportionate interest in the recognized assets and liabilities of Xindao Wuxi		11,610
Less: fair value of identifiable net assets		(24,075)
Goodwill	*14*	55,469

Net cash outflow arising on the acquisition:

	Note	*RMB'000*
Total consideration in cash		67,934
Less: cash acquired		(2,695)
Less: payable for acquisition of a subsidiary	*21*	(33,200)
Net cash outflow in acquisition	*19(e)*	32,039

The revenue and net profit that Xindao Wuxi contributed to the Group during the period from October 18, 2025 to December 31, 2025 were approximately RMB3,519,000 and RMB318,000, respectively. If the acquisition had occurred on January 1, 2025, management estimates that the Group's consolidated revenue and consolidated loss for the year ended December 31, 2025 would have been RMB525,152,000 and RMB20,200,000, respectively.

28 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of each year are set out below:

		Attributable to equity shareholders of the Company					
	Note	Paid-in capital	Share capital	Capital reserve	Share premium	Accumulated losses	Total deficit
		RMB'000 *(Note28 (c))*	*RMB'000* *(Note28 (d))*	*RMB'000* *(Note28 (e)(ii))*	*RMB'000* *(Note28 (d))*	*RMB'000*	*RMB'000*
Balance at January 1, 2023		14,762	–	3,632	–	(99,060)	(80,666)
Changes in equity for 2023							
Loss for the year		–	–	–	–	(81,939)	(81,939)
Capital injection by ordinary equity shareholders	*28(c)*	17,151	–	–	–	–	17,151
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,396	–	68,604	–	–	70,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(70,000)	–	–	(70,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	17,414	–	–	17,414
Balance at December 31, 2023 and January 1, 2024		33,309	–	19,650	–	(180,999)	(128,040)
Changes in equity for 2024							
Loss for the year		–	–	–	–	(52,213)	(52,213)
Equity-settled share-based payment transaction	*26(c)*	–	–	3,199	–	–	3,199
Balance at December 31, 2024 and January 1, 2025		33,309	–	22,849	–	(233,212)	(177,054)
Changes in equity for 2025							
Loss for the year		–	–	–	–	(3,058)	(3,058)
Issuance of ordinary shares with redemption rights	*23, 28(c)*	1,673	–	98,327	–	–	100,000
Recognition of ordinary shares with redemption rights as current liabilities	*23*	–	–	(100,000)	–	–	(100,000)
Equity-settled share-based payment transaction	*26(c)*	–	–	2,402	–	–	2,402
Conversion into a joint stock limited liability company	*28(d)(i)*	(34,982)	34,982	(363,045)	243,366	119,679	–
Balance at December 31, 2025		–	34,982	(339,467)	243,366	(116,591)	(177,710)

(b) Dividends

No dividends were paid or declared by the Company during Track Record Period.

(c) Paid-in capital

A summary of movements in the Company's paid-in capital is as follows:

	Note	Total RMB'000
Balance at January 1, 2023		14,762
Capital contribution by ordinary equity shareholders	*(i)*	17,151
Issuance of ordinary shares with redemption rights	*(ii)*	1,396
At December 31, 2023, December 31, 2024 and January 1, 2025		33,309
Issuance of ordinary shares with redemption rights	*(iii)*	1,673
Conversion into a joint stock limited liability company	*28(d)*	(34,982)
At December 31, 2025		–

(i) For the year ended December 31, 2023, Shanghai Shixin Management Consulting Partnership (Limited Partnership) (上海仕芯管理諮詢合夥企業 (有限合夥)), Shanghai Zhushi Management Consulting Partnership (Limited Partnership) (上海竺世管理諮詢合夥企業 (有限合夥)) and Shanghai Haotang Management Consulting Partnership (Limited Partnership) (上海皓棠管理諮詢合夥企業 (有限合夥)) completed the injections totalling RMB17,151,000 in the Company for the subscription of the Company's paid-in capital of RMB17,151,000 which was issued in June 2020.

(ii) For the year ended December 31, 2023, Series B+ Investors completed the injections totalling RMB70,000,000 (the "**Series B+ consideration**") in the Company for the subscription of the Company's newly issued paid-in capital of RMB1,396,000. The excess of the Series B+ consideration over the increase in the paid-in capital of RMB68,604,000 was credited to the capital reserve.

(iii) For the year ended December 31, 2025, Series C Investors completed the injections totalling RMB100,000,000 (the "**Series C consideration**") in the Company for the subscription of the Company's newly issued paid-in capital of RMB1,673,000. The excess of the Series C consideration over the increase in the paid-in capital of RMB98,327,000 was credited to the capital reserve.

(d) Share capital

	Note	Numbers of ordinary shares ('000)	Share capital RMB'000
Issued and fully paid			
At January 1, 2023, December 31, 2023, December 31, 2024 and January 1, 2025		–	–
Conversion into a joint stock limited liability company	*(i)*	34,982	34,982
At December 31, 2025		34,982	34,982

(i) Pursuant to the shareholders' resolution dated December 31, 2025, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as at the conversion base date, which is October 31, 2025, including paid-in capital RMB34,982,480 were converted into 34,982,480 ordinary shares with a par value of RMB1 per share. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium.

(e) Nature and purpose of reserves

(i) Share premium

Under PRC rules and regulations, share premium is non-distributable other than in liquidation and may be utilized for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders.

(ii) Capital reserve

The capital reserve mainly comprises the following:

– the fair value of unexercised share options or restricted share units;

– amounts in relation to the recognition of the ordinary shares with redemption rights (see Note 23);

– the excess of the net contributions from the ordinary equity shareholders of the Company over the total paid-in capital issued before the conversion into a joint stock limited liability company.

(iii) Exchange reserve

The exchange reserves comprise the foreign exchange differences arising from the translation of the financial statements of foreign operations

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing borrowings and lease liabilities but excludes ordinary shares with redemption rights), less cash and cash equivalents. Adjusted capital comprises all components of equity and ordinary shares with redemption rights.

The Group's adjusted net debt-to-capital ratio at December 31, 2023, 2024 and 2025 are as follows:

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	20	195,788	252,592	301,350
Lease liabilities	22	2,895	9,737	7,047
Total debts		198,683	262,329	308,397
Less: Cash and cash equivalents	19	(56,518)	(15,839)	(93,270)
Adjusted net debts		142,165	246,490	215,127
Total deficit		(119,796)	(178,366)	(168,017)
Add: ordinary shares with redemption rights	23	284,420	304,580	427,435
Adjusted capital		164,624	126,214	259,418
Adjusted net debt to-capital ratio		86%	195%	83%

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents are limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers having low credit risk. Credit risk in respect of other receivables is limited since the balance mainly includes deposits, value-added-tax recoverable, and amounts due from related parties.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 28%, 80% and 70% of the total trade receivables were due from the Group's largest five customer respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at December 31, 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	36,176	(231)
7-12 months	6%	2,564	(159)
More than 12 months	14%	7	(1)
		38,747	(391)

	As at December 31, 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	90,324	(749)
7-12 months	5%	1,118	(56)
More than 12 months	78%	855	(667)
		92,297	(1,472)

	As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
1-6 months	1%	126,897	(1,059)
7-12 months	5%	12,687	(634)
More than 12 months	42%	3,152	(1,322)
		142,736	(3,015)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	Loss allowance
	RMB'000
At January 1, 2023	176
Impairment losses recognized	215
At December 31, 2023 and January 1, 2024	391
Impairment losses recognized	1,056
Exchange adjustments	25
At December 31, 2024 and January 1, 2025	1,472
Impairment losses recognized	1,484
Exchange adjustments	59
At December 31, 2025	3,015

(b) Liquidity risk

The Group's 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.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2023				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	158,294	26,903	15,503	200,700	195,788
Trade and other payables	96,990	–	–	96,990	96,990
Lease liabilities	1,710	1,000	282	2,992	2,895
Ordinary shares with redemption rights	284,420	–	–	284,420	284,420
	541,414	27,903	15,785	585,102	580,093

	As at December 31, 2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	186,260	34,948	40,435	261,643	252,592
Trade and other payables	150,867	–	–	150,867	150,867
Lease liabilities	4,128	4,026	1,980	10,134	9,737
Ordinary shares with redemption rights	304,580	–	–	304,580	304,580
	645,835	38,974	42,415	727,224	717,776

	As at December 31, 2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	210,165	70,512	29,744	310,421	301,350
Trade and other payables	205,353	–	–	205,353	205,353
Lease liabilities	4,436	2,142	667	7,245	7,047
Ordinary shares with redemption rights	427,435	–	–	427,435	427,435
	847,389	72,654	30,411	950,454	941,185

(c) Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to fair value interest risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current 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 that the Group exposed to are not significant.

(i) Interest rate profile

The Group's interest-bearing borrowings, lease liabilities, ordinary shares with redemption rights, cash and cash equivalents and pledged bank deposits as at December 31, 2023, 2024 and 2025 as follows:

	2023		2024		2025	
	Effective interest rate		Effective interest rate		Effective interest rate	
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
Fixed rate instruments:						
Pledged bank deposits	2.35~3.30	2,880	2.35~2.70	1,310	N/A	–
Interest-bearing borrowings from banks and other financial institutions	3.20~3.65	(160,409)	2.70~4.80	(162,935)	2.40~4.20	(208,740)
Ordinary shares with redemption rights	8.00	(284,420)	8.00	(304,580)	8.00	(427,435)
Lease liabilities	3.85~4.35	(2,895)	3.1~4.35	(9,737)	3.0~4.35	(7,047)
		(444,844)		(475,942)		(643,222)
Variable rate instruments:						
Cash and cash equivalents	0.00~0.25	56,518	0.00~0.50	15,839	0.00~0.50	93,270
Interest-bearing borrowings from banks and other financial institutions	LPR-0.7	(35,379)	LPR-0.70	(89,657)	LPR-0.25~-0.70	(92,610)
		21,139		(73,818)		660
Net exposure		21,139		(73,818)		660

(ii) Sensitivity analysis

A general increase/decrease of 100 basis points in interest rates prevailing at December 31, 2023, 2024 and 2025 with all other variables held constant, would decrease/increase the Group's loss after tax and accumulated losses by approximately RMB179,000, RMB672,000 and RMB6,000, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100-basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than functional currencies of the respective entities comprising the Group are not material.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of reporting period.

	2023	2024	2025
	USD	USD	USD
	RMB'000	*RMB'000*	*RMB'000*
Trade and other receivables	9,838	5,413	11,759
Cash and cash equivalents	3,516	1,763	316
Trade and other payables	(66)	(115)	(125)
Net exposure arising from recognized assets and liabilities	13,288	7,061	11,950

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2023		2024		2025	
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses
		RMB'000		*RMB'000*		*RMB'000*
USD (against RMB)	1%	(102)	1%	(55)	1%	(92)
	-1%	102	-1%	55	-1%	92

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on the loss after tax and accumulated losses of each entity of the Group measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) Fair value measurement

(i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised 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

		As at December 31, 2025		
	Fair value at December 31, 2025	**Level 1**	**Level 2**	**Level 3**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets measured at FVOCI				
– Bills receivable	209	–	209	–

During the years ended December 31, 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.

For bills receivable that are measured at FVOCI, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the balance sheet date.

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

The carrying amounts of the Group's financial assets and liabilities carried at amortized cost were not materially different from their fair values as at December 31, 2023, 2024 and 2025.

30 COMMITMENT

Commitments outstanding at the end of each reporting period not provided for in the Historical Financial Information were as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment and right-of-use assets	28,621	6,228	14,080

31 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	2,281	2,903	5,358
Discretionary bonuses	1,236	1,554	1,329
Retirement scheme contributions	68	71	238
Share-based payments	931	491	590
	4,516	5,019	7,515

(b) Related party transactions

As at December 31, 2023, 2024 and 2025, secured interest-bearing borrowings from banks of RMB 45,379,000, RMB 135,657,000 and RMB 95,402,000 and unsecured and guaranteed loans interest-bearing borrowings from banks of RMB 139,863,000, RMB 84,675,000, and RMB 199,158,000, respectively, were guaranteed by Ms. Ye.

32 SUBSEQUENT EVENTS

In March 2026, the Company completed a newly Pre-**[REDACTED]** Series C financing by issuing 1,171,662 shares with special rights to investors and the Company received the consideration of RMB 70,000,000 from the issuance. As a result, the share capital of the Company increased to RMB 36,154,142 with the number of 36,154,142 ordinary shares.

Pursuant to an EGM resolution passed in May 2026, the Company will conduct a share subdivision, each existing share with a par value of RMB1.00 shall be sub-divided into 10 shares with a par value of RMB0.10, and such share subdivision shall take effect immediately before the **[REDACTED]**.

33 ULTIMATE CONTROLLING PARTY

At December 31, 2023, 2024 and 2025, the directors of the Company consider that the ultimate controlling shareholder of the Company to be Ms. Ye.

34 POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Amendments to IFRS 9 and HKFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*.	January 1, 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

Subsequent financial statements

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at [April 30, 2026] of the property interests held by the Company.

AVISTA Valuation Advisory
艾 華 迪 評 估 諮 詢

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[•] 2026

The Board of Directors

Shanghai GoNa Semiconductor Technology Co., Ltd (上海果納半導體技術股份有限公司)
Building 3, Topology Park,
No. 100 Boyi Road, Lin-gang Special Area,
Pudong New Area, Shanghai City, the PRC

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Shanghai GoNa Semiconductor Technology Co., Ltd. (上海果納半導體技術股份有限公司) (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for us to carry out the valuation of the property interests (the "**Property**") located in the People's Republic of China (the "**PRC**") held by the Company, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at [April 30, 2026] (the "**Valuation Date**").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

In valuing the Property, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the RICS Valuation — Global Standards 2024 published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the Property in the PRC, we have relied on the advice given by the Group and its legal advisors, being DeHeng Law Offices (北京德恒律師事務所) (the "**PRC Legal Advisors**"), regarding the titles to the Property.

In valuing the Property, we have relied on a legal opinion regarding the Property provided by the PRC Legal Advisors dated [•] (the "**PRC Legal Opinion**"). Unless otherwise stated, the Group has legally obtained the land use rights of the Property.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the Property, due to the nature of the buildings and structures of the subject property, there are no market sales comparables readily available. We have valued the property interests on the basis of their depreciated replacement cost. Depreciated replacement cost is defined as "*the current cost of replacing an asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimization*". It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Property in the PRC. Where possible, we have examined the original documents to verify the existing title to the Property in the PRC and any material encumbrance that might be attached to the Property or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Advisors, concerning the validity of the title of the Property in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject property. The site inspection was carried out on February 10, 2026 by Turman Cheung (Manager) and Yerna Liu (Senior Analyst). They have over 5 years and 3 years of experience, respectively, in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject property is free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Group, the PRC Legal Advisors, or other professional advisors on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of the property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 15 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

VALUATION CERTIFICATE

Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at [April 30, 2026]
				RMB
1.	No. 111 Longxing Road, Haichang Subdistrict, Haining City, Zhejiang Province, the PRC (中國浙江省海寧市海昌街道隆興路111號).	The property comprises six 1- to 6-storey industrial buildings over a 1-storey basement, with a total gross floor area of approximately 51,111.67 sq.m. The property was held for owner occupation as at the Valuation Date. As advised by the Group, the property was completed in July 2024. The property is located on Longxing Road in Haichang Subdistrict of Haining City, a county-level city under the jurisdiction of Jiaxing City. It is approximately 3 km from Haining Railway Station and about 23.5 km from Jiaxing Nanhu Airport. The land use rights of the property have been granted for a term expiring on January 10, 2073 for industrial use.	The property was occupied by the Group as at the Valuation Date for product research and development purposes.	[192,530,000] (100% interest attributable to the Company: [192,530,000])

Notes:

1. Pursuant to a Land Use Rights Grant Contract—No. 3304812022A21150 dated November 7, 2022 between Haining Municipal Bureau of Natural Resources and Planning (海寧市自然資源和規劃局) and Zhejiang GoNa Semiconductor Technology Co., Ltd (浙江果納半導體技術有限公司, "Zhejiang GoNa"), in which the Company holds a direct ownership stake of 100%, the land use rights of a parcel of land with a site area of approximately 26,032 sq.m. have been granted to Zhejiang GoNa for a term of 50 years for industrial use at a total land premium of approximately RMB11,800,000.

As revealed from the aforesaid contract, the property is subject to the following material development conditions:

Permitted Use	:	Industrial
Plot Ratio	:	≥1.8 and ≤2.5
Permitted Accountable Gross Floor Area	:	Between 46,857.60 sq.m. and 65,080.00 sq.m.
Site Coverage	:	≤55%
Greening Rate	:	≥12%

2. Pursuant to 5 Real Estate Ownership Certificates issued by Haining Municipal Bureau of Natural Resources and Planning, the land use rights and building ownership of the property have been vested in Zhejiang GoNa, with the details as follows:

No.	**Certificate No.**	**Land Usage**	**Building Usage**	**Expiry Date**	**Site Area**	**Gross Floor Area**
					(sq.m.)	*(sq.m.)*
1	Zhe (2025) Hai Ning Shi Bu Dong Chan Quan Di No. 0030581	Industrial	Industrial	January 10, 2073	1,584.36	8,002.97
2	Zhe (2025) Hai Ning Shi Bu Dong Chan Quan Di No. 0030576	Industrial	Industrial	January 10, 2073	1,223.83	9,724.20
3	Zhe (2025) Hai Ning Shi Bu Dong Chan Quan Di No. 0030582	Industrial	Industrial	January 10, 2073	2,016.09	6,738.20
4	Zhe (2025) Hai Ning Shi Bu Dong Chan Quan Di No. 0030583	Industrial	Industrial	January 10, 2073	1,148.56	6,741.57
5	Zhe (2025) Hai Ning Shi Bu Dong Chan Quan Di No. 0030541	Industrial	Industrial	January 10, 2073	20,059.16	19,904.73
Total:					**26,032.00**	**51,111.67**

3. As advised by the Group, the details of the property are set out as below:

Classification	**Usage**	**Gross Floor Area**
		(sq.m.)
Property interests held for owner occupation by the Company in the PRC .	Industrial	41,123.65
	Ancillary	6,765.57
	Basement	3,222.45
	Total:	**51,111.67**

4. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:—

   a. Zhejiang GoNa has obtained the land use rights and the building ownership of the property under the terms of the Real Estate Ownership Certificates; and

   b. The property has been mortgaged to Jiaxing Branch of China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司嘉興分行) and China CITIC Bank Corporation Limited Jiaxing Haining Branch (中信銀行股份有限公司嘉興海寧支行).

5. In the course of our valuation, we assume that the property is transferable without legal impediment.

6. Our valuation has been made on the following basis and analysis:

   In our valuation of the land use rights, we have considered and analyzed 3 land sale comparables in the vicinity. The adjusted site values of the land sales range from RMB750 to RMB790 per sq.m. for industrial use. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

   Regarding the building portion, the current replacement cost of the building is assessed by determining the construction cost of a modern substitute building with the same service capacity as the building which is being valued. The adjusted replacement costs range from RMB2,820 per sq.m. to RMB4,090 per sq.m. for industrial buildings, from RMB2,350 per sq.m. to RMB2,490 per sq.m. for the ancillary buildings and from RMB6,470 per sq.m. to RMB8,090 per sq.m. for basement based on our research of the local construction costs. The replacement cost adopted in the valuation is consistent with the findings of our research.

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, value-added tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

THE PRC TAXATION

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "**Individual Income Tax Law**") lastly amended by the SCNPC on August 31, 2018 and implemented on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) lastly amended by the State Council on December 18, 2018 and implemented on January 1, 2019, dividends paid by Chinese mainland companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》) jointly promulgated by the MOF, the State Administration of Taxation (the "**SAT**") and the CSRC on September 7, 2015 and implemented on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) promulgated by the SAT on June 28, 2011, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us.

Enterprise Investor

Pursuant to the EIT Law as well as the Implementation Rules of EIT Law, the rate of enterprise income tax (the "**EIT**") shall be 25%. A non-resident enterprise is generally subject to a 10% EIT on Mainland-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in Chinese mainland or has an establishment or premise in Chinese mainland but its Chinese mainland-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) promulgated by the SAT and implemented on November 6, 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the SAT and implemented on July 24, 2009, further provides that PRC resident enterprises listed on Chinese mainland and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified according to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**") signed on August 21, 2006, the Chinese Government may levy taxes on the dividends paid by a PRC resident enterprise to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC resident enterprise unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC resident enterprise, such tax shall not exceed 5% of the total dividends payable by the PRC resident enterprise. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) promulgated by the SAT and implemented on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC enterprises. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions, including but not limited to Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non- PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Value-added Tax

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on May 1 2018, the VAT rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively. According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and implemented on April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively. Pursuant to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), promulgated by the SCNPC on December 25, 2024, and effective on January 1, 2026, and the Regulations for the Implementation of the Value-added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), promulgated by the State Council on December 25, 2025, and effective on January 1, 2026, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods in Chinese mainland are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

Income Tax

Individual Investors

Pursuant to the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) promulgated by the MOF and SAT and implemented on March 30, 1998, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed company in the newly revised the Individual Income Tax Law and its implementation rules.

Enterprise Investors

Pursuant to the CIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on Mainland-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in Chinese mainland or has an establishment or premise in the Chinese mainland but its Chinese mainland-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) promulgated by the SCNPC on June 10, 2021 and implemented on July 1, 2022, the purchase and disposal of H shares by non- Chinese mainland investors outside of Chinese mainland are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate Duty

Pursuant to the laws of Chinese mainland, no estate duty is currently levied in Chinese mainland.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

On January 29, 1996, the State Council promulgated the Regulations on the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996. These regulations categorize all international payments and transfers into current account items and capital account items. Most current account items no longer require the prior approval of the SAFE, while capital account items continue to be subject to such approval. Pursuant to the latest amendment to the Regulations on the Administration of Foreign Exchange, which became effective on August 5, 2008, there are no longer any restrictions on international payments and transfers under current account items.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

Pursuant to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the general meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

Pursuant to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

Pursuant to the Circular of People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Fund Administration for Domestic Enterprises of Overseas Listing (《中國人民銀行、國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by the People's Bank of China (the "**PBOC**") and SAFE on December 24, 2025 and implemented on April 1, 2026, a domestic company shall, within 30 business days from the first trading date of its overseas listing or the completion of the **[REDACTED]**, register the overseas listing with the local branch office of the PBOC in the province or the city with independent planning status where it is registered. The funds raised by the domestic company from overseas listing shall, in principle, be repatriated to the domestic territory in a timely manner. Where such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic company shall obtain the approval or filing document from the competent authority prior to the date of completion of the overseas offering or the completion of the **[REDACTED]**, and shall comply with the relevant provisions on cross-border fund administration.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute legally binding precedents; however, they may be used as judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), lastly amended by the NPC on March 13, 2023 and implemented on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The ministries and commissions of the State Council, PBOC, the National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate departmental rules.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection, historical and cultural protection based on the specific circumstances and actual needs of such cities, which shall be submitted to the standing committees of the people's congresses of relevant provinces or autonomous regions for approval before implementation, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact local governmental rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees.

Pursuant to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. Pursuant to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加强法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Pursuant to the Constitution and the Law of the PRC of Organization of the People's Courts (《中華人民共和國人民法院組織法》) lastly amended by the SCNPC on October 26, 2018 and implemented on January 1, 2019, the judicial system is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The Supreme People's Court shall be the highest judicial organ of the state, and shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at higher levels shall supervise the judicial work of the people's courts at lower levels.

Pursuant to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) lastly amended by SCNPC on October 26, 2018 and implemented on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ, and shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates. The people's procuratorates at higher levels shall direct the work of those at lower levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") lastly amended by the SCNPC on September 1, 2023 and implemented on January 1, 2024 sets forth the requirements for initiating a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within Chinese mainland must comply with the Civil Procedure Law. Civil cases are generally heard by the courts in the defendants' domicile. The court of jurisdiction in a civil action may be chosen by express agreement between parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's domicile, the place where the contract is performed or signed, or the object of the action is located. The choice of the court cannot conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign national or enterprise has the same litigation rights and obligations as a PRC citizen or legal person when initiating or defending any proceedings at a people's court. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within Chinese mainland.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located in Chinese mainland or whose property is not in Chinese mainland, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the Chinese mainland enforcement procedures if the Chinese mainland has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of Chinese mainland, its sovereignty or security, or against social and public interest.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in Chinese mainland seeking a listing on Hong Kong Stock Exchange is mainly subject to the following laws and regulations of Chinese mainland.

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") which was lastly amended by the SCNPC on December 29, 2023 and implemented on July 1, 2024.

The Trial Administrative Measures on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and its five interpretative guidelines which were promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023 and were applicable to the direct and indirect overseas offering and listing of PRC domestic companies' securities.

Pursuant to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), which was lastly amended by the CSRC and came into effect on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within Chinese mainland.

The promoter s of a joint stock limited company incorporated by public subscription shall convene an inaugural meeting within 30 days after the share capital has been paid up and shall notify all subscribers of the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the agreement of the promoters. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and the board of supervisors of a company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Pursuant to the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or intellectual property rights, land use rights, shareholding or claims.

The joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of fairness and justice. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The term "domestic unlisted shares" in the preceding provision refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. Domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency. The registration and settlement of overseas listed shares is subject to applicable rules in overseas markets.

Where a domestic enterprise directly issues and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase of Share Capital

Pursuant to the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to original shareholders, if any. If no par value stock is issued, not less than one half of the proceeds from the issuance of the new stocks shall be included in the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) a company makes a resolution at the general meeting to reduce its registered capital; (iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital; (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Repurchase of Shares

Pursuant to the Company Law, a company shall not purchase its own shares. Except for any following circumstances: (i) reducing the registered capital; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee stocks plan or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of our company, the right to demand our company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the listed company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our company held by a company shall not exceed 10% of the total issued shares of our company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of shares

Shares held by a shareholder may be transferred in accordance with the law. Pursuant to the Company Law, the shareholder of a joint stock limited company should affect a transfer of his/her shares through a legally established securities exchange or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and domicile of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of the general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Pursuant to the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by them shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted transfer period.

Shareholders

Pursuant to the Company Law and Guidelines for Articles of Association, the rights of a shareholder of a company include: (i) the right to attend or appoint a proxy to attend general meetings and to vote thereat; (ii) the right to transfer shares in accordance with laws, administrative regulations and articles of association; (iii) the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations; (iv) the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where articles of association is violated by the above resolutions; (v) the right to receive dividends and other forms of profit distribution according to the proportion of shares they hold; (vi) in the event of the termination or liquidation of the company, the right to participate in the distribution of the residual properties of the company in proportion to the number of shares held; and (vii) other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

General Meetings

Pursuant to the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the board of supervisors; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the company's articles of association; and (ix) other functions and powers specified in provision of the articles of association.

Annual general meetings are required to be held once every year. An interim general meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in articles of association; (ii) when the unrecovered losses of a company amount to one- third of the total paid-up share capital; (iii) shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the board of directors; (v) the board of supervisors proposes to convene the meeting; and (vi) other circumstances as stipulated in articles of association.

The general meeting shall be convened by the board, and presided over by the chairman of the board. In the event that the chairman of the board is incapable of performing or not performing his/ her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the board is incapable of performing or is not performing its duties to convene the general meeting, the board of supervisors should convene and preside over the general meeting in a timely manner. If the board of supervisors fails to convene and preside over the general meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting. If the shareholders who separately or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the board and the board of supervisors should, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of interim meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the general meeting. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the interim proposal to the general meeting for consideration.

Pursuant to the Company Law, a shareholder may entrust a proxy to attend the general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders required to attend a general meeting.

The Company Law does not specify any quorum requirement for a shareholders' meeting.

Shareholders present at the general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the general meeting in accordance with articles of association or resolutions of the general meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Board of Directors

Under the Company Law, except for a joint stock limited company with a small scale or a small number of shareholders, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year . All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers: (i) to convene general meetings and report its work to the general meetings; (ii) to implement the resolutions of the general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; and (x) other functions and powers specified in articles of association or granted by the general meeting.

The board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Pursuant to the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory director or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and (v) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairperson, who shall be elected by more than half of all the directors. The chairperson shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and convene and preside over board meetings; and (ii) to examine the implementation of resolutions of the board of directors; and (iii) to exercise other powers conferred by the board of directors.

Board of Supervisors

A joint stock limited company may establish an audit committee under the board of directors to exercise the powers of the board of supervisors. A joint stock limited company which has a small scale or a limited number of shareholders is not required to establish a board of supervisors.

Except for the above-mentioned two special circumstances, a joint stock limited company shall establish a board of supervisors composed of not less than three members. The board of supervisors shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in articles of association. Employee representatives of the board of supervisors shall be democratically elected by the company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management members may not act concurrently as supervisors.

The board of supervisors exercises the following powers: (i) to examine the company's financial affairs; (ii) to supervise the directors and senior management members in their performance of their duties and to propose the removal of directors and senior management members who have violated laws, administrative regulations, articles of association or resolutions of general meetings; (iii) to demand rectification by a director or senior management member when the acts of such persons are harmful to the company's interests; (iv) to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the board fails to perform the duty of convening and presiding over general meetings under the Company Law; (v) to submit proposals to the general meeting; (vi) to initiate legal proceedings against directors and senior management members in accordance with the Company Law; and (vii) other functions and powers specified in articles of association.

Managers and Senior Management Members

Pursuant to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager is responsible to the board of directors and may exercise the power in accordance with articles of association or authorization of the board of directors. The manager shall attend board meetings.

Senior management shall refer to the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in articles of association.

Duties of Directors, Supervisors and Senior Management Members

Pursuant to the Company Law, directors, supervisors and senior management members of the company are required to comply with the relevant laws, regulations and articles of association, and have fiduciary and diligent duties to the company. directors, supervisors and senior management members are prohibited from: (i) embezzling the company's property or misappropriating the company's funds; (ii) depositing the company's funds into accounts under their own names or the names of other individuals; (iii) accepting bribes or any other illegal proceeds by taking advantage of their powers; (iv) accepting and possessing commissions paid by a third party for transactions conducted with the company; (v) disclosing the company's secrets without authorization; or (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management members directly or indirectly contracts or conducts a transaction with the company, he/she shall report the matters related to the conclusion of the contract or transaction to the board or general meeting, subject to the approval of the board or general meeting according to articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the company.

Directors, supervisors and senior management members shall not take advantage of his position to take a business opportunity belonging to the company for himself or another person, except under any of the following circumstances: (i) where they have reported to the board or the general meeting and the matter has been approved by a resolution of the board or the general meeting according to articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the general meeting and obtain approval by resolution of the board of directors or the general meeting according to articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management member who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Pursuant to the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations and regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare financial and accounting reports which shall be audited by an accounting firm. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

The company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the company has reached 50% or more of its registered capital, no further withdrawal is required. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. Subject to a resolution of the general meeting, after withdrawal has been made to the company's statutory reserve fund from its after-tax profits, the company may set aside funds for the discretionary reserve fund.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with articles of association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up for losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be first used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounts other than those provided by law.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by the general meeting, the board of directors or the board of supervisors in accordance with articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or board of supervisors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Pursuant to the Guidelines for Articles of Association, the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports. The audit fee of an accounting firm shall be decided by the general meeting.

Distribution of Profits

Pursuant to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendment to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, the amendment to articles of association shall be registered with the relevant authority in accordance with the applicable laws.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in articles of association has expired or other events of dissolution specified in articles of association have occurred; (ii) a resolution on dissolution is adopted by the general meeting; (iii) dissolution is required due to the merger or division of the company; (iv) the business license is revoked, or the company is ordered to be closed down or is deregistered in accordance with the law; (v) where the company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and where the issue cannot be resolved through other means, shareholders holding more than 10% of the total shareholders' voting rights of the company may request the people's court to dissolve the company. If any of the situations as mentioned in the preceding paragraph arises, the company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the general meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the resolution of the general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

If the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the company's property and prepare the balance sheet and the inventory of assets; (ii) to notify creditors by sending notices or making public announcements; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigation activities on behalf of the company.

The liquidation group shall notify the company's creditors within ten days from its formation and shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared the balance sheet and the inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to the people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the general meeting or the people's court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the company's registration.

Members of the liquidation group performing their duties of liquidation are obliged to be loyal and diligent. Any member of the liquidation group who neglects to fulfill his/her liquidation duties and thus causes any loss to the company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where the business license of the company is revoked, or the company is ordered to close down or is deregistered, and the company fails to apply for its deregistration with the company registration authority, after three years the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of Paragraph 1, Article 16 of the Overseas Listing Trial Measures.

Loss of Share Certificates

If the share certificates in registered form are either stolen, lost or destroyed, the shareholders may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to the people's court for a declaration that such certificates will no longer be valid. After the people's court declared that such certificates would no longer be valid, the shareholders may apply to the company for the issue of replacement certificates.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (《證券法》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Merger and Division

Pursuant to the Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days from the date of making the merger resolution notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in Chinese mainland, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating **[REDACTED]** of securities by enterprises in Chinese mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two authorities and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and implemented on April 22, 1993 provides the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including H shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") lastly amended by the SCNPC on September 12, 2025 and implemented on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court, unless the arbitration agreement is invalid.

Pursuant to the Arbitration Law and Civil Procedure Law, an arbitral award shall be final and binding on the parties. If any party fails to comply with the arbitral award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is evidence to prove that any of the following circumstances exists: the parties have not stipulated an arbitration clause in the contract or have not reached a written arbitration agreement afterwards; the composition of the arbitral tribunal or the arbitration procedures are not in accordance with the arbitration rules; the matters awarded are outside the scope of the arbitration agreement, or the arbitration committee has no jurisdiction to arbitrate; the evidence on which the award is based is forged; the other party has concealed evidence sufficient to affect the fairness of the award; the arbitrator has committed bribery, accepted bribes, engaged in favoritism, or rendered an award in violation of the law when arbitrating the case.

Any party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within Chinese mainland shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

Pursuant to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and implemented on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and implemented on November 27, 2020, awards made by arbitral authorities in Chinese mainland can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the Chinese mainland.

ENFORCEMENT OF JUDICIAL JUDGEMENT

Pursuant to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court of the PRC on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

The Articles of Association is considered and approved at the general meeting of the Company, which shall come into effect and be implemented upon the **[REDACTED]** of the overseas-listed foreign shares of the Company and from the date of its **[REDACTED]** and **[REDACTED]** on the Hong Kong Stock Exchange. The following information is only a summary, not covering all the information that may be material to potential investors.

GENERAL PROVISIONS

The Company is a joint stock company with perpetual existence.

All assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

From the effective date of the Articles of Association, the Articles of Association shall be a legally binding document which regulates the Company's organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall be a legally binding document governing on the Company, its shareholders, directors and senior management. Pursuant to the Articles of Association, a shareholder may take legal actions against the other shareholders; a shareholder may take legal actions against the Company's directors and senior management; a shareholder may take legal actions against the Company; and the Company may take legal actions against its shareholders, directors and senior management.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Capital Increase

The Company may, based on its operational and developmental needs, increase its capital in accordance with applicable laws, administrative regulations, and subject to a resolution of the general meeting, by any of the following methods:

i. issuing shares to non-specific objects;

ii. issuing shares to specific objects;

iii. allotment bonus shares to existing shareholders;

iv. converting the reserve funds to share capital;

v. other methods permitted by the laws, administrative regulations, the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

Capital Reduction

The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in the Company Law, other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company shall not acquire its shares, except under one of the following circumstances:

i. reducing the registered capital of the Company;

ii. merging with other companies that hold shares in the Company;

iii. using the shares for employee shareholding schemes or as share incentives;

iv. acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;

v. using the shares to satisfy the conversion of those corporate bonds convertible into share certificates issued by the Company;

vi. safeguarding corporate value and shareholders' equity as the Company deems necessary;

vii. such other circumstances as may be permitted under laws, administrative regulations, departmental rules, and the regulatory rules of the stock exchange where the Company's shares are listed.

Subject to compliance with the applicable securities regulatory rules of the place where the Company's shares are listed, the Company may acquire its own shares through public and centralized trading or by other methods recognized by laws, administrative regulations, and the securities regulatory authorities of the place where the Company's shares are listed and the stock exchange.

In the event that the Company acquires its own shares under the circumstances set forth in (I) and (II) above, this shall be resolved at a general meeting of shareholders; in the event that the Company acquires its own shares under the circumstances set forth in (III), (V) and (VI) above, subject to compliance with the rules of the securities regulatory authorities of the place where the Company's shares are listed, this shall be resolved at a board meeting with more than two-thirds of directors present.

After the Company acquires its own shares, under the circumstance in (I) above, the shares so acquired shall be cancelled within 10 days from the date of acquisition. In the case of (II) or (IV) above, the shares so acquired shall be transferred or cancelled within 6 months. In the event that the Company acquires its own shares under the circumstances set forth in (III), (V) or (VI) above, the shares so acquired shall not exceed 10% of the total issued shares of the Company, and they shall be transferred or cancelled within 3 years.

Notwithstanding the foregoing, where laws, regulations and the securities regulatory authorities of the place where the Company's shares are listed have otherwise prescribed relevant matters concerning share repurchase, the Company shall also comply with such relevant regulations. The repurchase of the Company's H shares shall comply with the Listing Rules and other relevant laws, regulations and regulatory requirements of the place where the Company's H shares are listed.

Transfer of Shares

The shares of the Company may be transferred in accordance with the laws.

The Company shall not accept any of its own shares as the subject of pledges.

Shares issued prior to the Company's public offering of shares shall not be transferred for a period of 1 year from the date of **[REDACTED]** and trading of the Company's shares on the stock exchange.

The directors and senior management of the Company shall declare to the Company the numbers of the shares of the Company held by them and the changes thereof and shall not transfer in a given year during their terms of office determined at the time of their assumption of office more than 25% of the total number of shares of the Company they hold. The shares of the Company held by the said person shall not be transferred within 1 year from the date of **[REDACTED]** and trading of the Company's shares. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within 6 months from his/her termination of the office. Where the securities regulatory rules of the place where the Company's shares are listed have otherwise prescribed restrictions on the transfer of the Company's shares, such relevant regulations shall also be complied with.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The shareholders of the Company shall be entitled to the following rights:

i. to receive distribution of dividends and other forms of benefits in proportion to their shareholdings;

ii. to legally require, convene, preside over, participate in or appoint a shareholder proxy to participate in the general meeting and exercise corresponding right to speak and voting right;

iii. to supervise the business operations of the Company, put forward proposals or raise enquiries;

iv. to transfer, give as gift or pledge the shares held in accordance with the laws, administrative regulations, other relevant regulations and the Articles of Association;

v. to inspect and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of the Board meetings and financial accounting reports, for shareholders who meet the prescribed requirements, to inspect the accounting books and accounting vouchers of the Company;

vi. in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held;

vii. with respect to shareholders who voted against any resolution adopted at any general meetings on the merger or division of the Company, to request the Company to buy back the shares held by them;

viii. other rights as stipulated by the laws, administrative regulations, departmental rules or the Articles of Association.

Where the content of a resolution of the general meeting or the meeting of the Board of the Company violates laws or administrative regulations, the shareholders shall be entitled to request the People's Court to hold it invalid.

If the convening procedure or voting method of a general meeting or board meeting violates laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the shareholders shall be entitled to request the People's Court to revoke the resolution within 60 days from the date it was made, except for those with only minor defects in the convening procedure or voting method of the Board meetings and those without material impact on r except where the procedures for convening or the method of voting at a shareholders' meeting or board meeting have only minor defects that do not materially affect the resolution.

Where directors (other than members of the Audit Committee) or senior management violate any laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, shareholders holding 1% or more of the Company's shares individually or jointly for 180 consecutive days or more shall have the right to request in writing that the Audit Committee file a lawsuit with the People's Court. Where members of the Audit Committee violate any laws, administrative regulations or the Articles of Association in the performance of their duties and cause losses to the Company, the aforesaid shareholders may request in writing that the Board file a lawsuit with the People's Court.

In the event that the Audit Committee or the Board refuses to file a lawsuit after receiving the shareholders' written request specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receipt of such request, or in an emergency where failure to immediately file a lawsuit will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph shall have the right to directly file a lawsuit with the People's Court in their own names for the interests of the Company.

In the event that any person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified hereinbefore may file an action with the People's Court pursuant to the provisions of the preceding two paragraphs.

The shareholders of the Company shall have the following obligations:

i. to comply with laws, administrative regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association;

ii. to pay subscription monies according to the number of shares subscribed and the method of subscription;

iii. not to withdraw shares unless required by the laws and regulations;

iv. not to abuse their shareholders' rights to harm the legitimate interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the legitimate interests of any creditor of the Company;

v. any other obligations imposed by the laws, administrative regulations, the regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

Shareholders who abuse their rights and thereby cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law. Shareholders who abuse the Company's status as an independent legal entity and the limited liability of shareholders to evade debts and thereby materially prejudice the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Restriction on Rights of the Controlling Shareholders

The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfill their obligations in accordance with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the Company.

The Company's Controlling Shareholders and Actual Controllers shall comply with the following provisions:

i. to exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

ii. to strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

iii. to strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

iv. not to occupy the Company's funds in any way;

v. not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

vi. not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

vii. not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

viii. to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way; and

ix. other provisions stipulated by laws, administrative regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the Articles of Association.

General Rules of the General Meeting

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

i. to elect and replace directors and decide on matters relating to the remuneration of directors;

ii. to review and approve reports of the Board;

iii. to review and approve profit distribution plans and loss recovery plans of the Company;

iv. to decide on any increase or reduction of the registered capital of the Company;

v. to decide on the issuance of corporate bonds;

vi. to decide on merger, division, dissolution, liquidation and change of form of the Company;

vii. to amend the Articles of Association;

viii. to decide on the engagement or dismissal of the accounting firm of the Company;

ix. to review and approve the guarantees as provided below;

x. to review and approve the purchase or disposal of substantial assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company within one year;

xi. to review and approve the change of the use of proceeds;

xii. to review and approve using the shares for employee shareholding schemes or as share incentives;

xiii. to review and approve material transactions and related party transactions that are required to be reviewed and approved by the general meeting pursuant to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

xiv. to review and approve other matters that are required to be decided by the general meeting pursuant to laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The following external guarantee offered by the Company shall be considered and approved by a general meeting:

i. any guarantee provided after the aggregate amount of guarantees offered by the Company and its controlling subsidiaries exceeds 50% of the Company's latest audited net assets;

ii. any guarantee provided after the total amount of external guarantees offered by the Company exceeds 30% of the Company's latest audited total assets;

iii. any guarantee where the aggregate amount of guarantees provided by the Company within one year exceeds 30% of the Company's latest audited total assets;

iv. any guarantee provided for a guaranteed party whose asset-liability ratio exceeds 70%;

v. any single guarantee where the amount exceeds 10% of the Company's latest audited net assets;

vi. any guarantee provided to shareholders, de facto controllers and their respective associates; and

vii. any other external guarantee that is required to be considered and approved by the general meeting pursuant to laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

General meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year and within 6 months from the close of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

i. the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number as specified in the Articles of Association;

ii. when the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;

iii. upon request by shareholders individually or collectively holding 10% or more of the shares of the Company;

iv. when the Board of Directors considers it necessary;

v. when the Audit Committee proposes to convene such a meeting;

vi. when approved by more than one-half of all independent non-executive directors of the Company; and

vii. in any other circumstances as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of General Meetings

General meetings shall be called by the Board in accordance with the laws.

Approved by more than half of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the Board to convene an extraordinary general meeting. In response to a proposal by an independent non-executive director to convene an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal. Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made; where the Board disagrees to convene the extraordinary general meeting, it shall give the reasons and make an announcement.

The audit committee shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice will be issued within 5 days after the resolution of the Board is made, and the changes made to the original proposal in the notice shall be approved by the audit committee.

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon the receipt of such proposal, the Board will be deemed as not being able to perform or not to perform its duty to convene a general meeting, and the audit committee may convene and preside over such meeting on their own.

The shareholder(s) severally or jointly holding 10% or more of the voting shares of the Company shall have the right to propose to the Board to convene an extraordinary general meeting and such proposal shall be made to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

Where the Board agrees to convene the extraordinary general meeting, a convening notice shall be issued within 5 days after the resolution of the Board is made, and the changes made to the original proposal in the notice shall be approved by the relevant shareholders.

Where the Board disagrees to convene the extraordinary general meeting, or fails to reply within 10 days upon receipt of such proposal, the shareholder(s) individually or collectively holding 10% or more of the voting shares of the Company shall have the right to propose to the audit committee to convene an extraordinary general meeting and such proposal shall be made to the audit committee in writing.

Where the audit committee agrees to convene the extraordinary general meeting, a convening notice shall be issued within 5 days upon receipt of the proposal, and the changes made to the original proposal in the notice shall be approved by the relevant shareholders.

Where the audit committee fails to issue the notice of the general meeting within the prescribed period, the audit committee will be deemed as not being able to convene or not to preside over the general meeting, and the shareholder(s) individually or collectively holding 10% or more of the voting shares of the Company for 90 or more consecutive days may convene and preside over such meeting on their own.

Notices of General Meetings

The convener will notify each shareholder in writing (including by announcement) at least 21 days (excluding the day of the meeting) prior to the annual general meeting. For an extraordinary general meeting, shareholders will be notified by announcement at least 15 days (excluding the day of the meeting) prior to the meeting.

Proposals of General Meetings

The Board, the Audit Committee, and shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company shall have the right to make a proposal to the Company at a general meeting of the Company.

The shareholder(s) severally or jointly holding more than 1% of the voting shares of the Company may make provisional proposals in writing to the convener of a general meeting 10 days prior to such meeting. The convener shall issue a supplementary notice of the general meeting and announce the contents of such provisional proposals within 2 days upon receipt thereof.

Except as provided by the preceding paragraph and laws, administrative regulations, the convener of a general meeting shall not amend the proposals already specified in the notice of the general meeting or add new proposals subsequent to the issue of the notice of the general meeting.

Proposals which are not specified in the notice of the general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the general meeting.

Holding of General Meetings

All shareholders or their proxies recorded in the register on the record date shall have the right to attend general meetings, and they are entitled to speak and vote at general meetings in accordance with the relevant laws, regulations and the Articles of Association. Shareholders may attend general meetings in person or appoint their proxies to attend and vote on their behalf.

Individual shareholders who attend the meeting in person shall present his/her identity card or other valid document or certificate evidencing his/her identity, as well as his/her securities account card. Where a proxy is appointed to attend the meeting, the proxy shall present his/her valid identity document and the shareholder's proxy form.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy authorised by its legal representative. Where the legal representative attends the meeting in person, he/she shall present his/her identity card and a valid certificate evidencing his/her capacity as legal representative. Where a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written proxy form lawfully issued by the legal representative of the corporate shareholder (except where the shareholder is a recognised clearing house (or its agent) as defined under the relevant laws and regulations of Hong Kong in force from time to time or the securities regulatory rules of the place where the Company's shares are listed).

Where the shareholder is a non-legal-person organisation, the meeting shall be attended by the person-in-charge of such organisation or a proxy authorised by the person-in-charge. Where the person-in-charge attends the meeting in person, he/she shall present his/her identity card and a valid certificate evidencing his/her capacity as person-in-charge. Where a proxy is appointed to attend the meeting, the proxy shall present his/her identity card and a written proxy form lawfully issued by the person-in-charge of such organisation.

Voting and Resolutions at General Meetings

The resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions of a general meeting shall be approved by more than one half of the voting rights held by the shareholders (including proxies thereof) present at the general meeting. special resolutions of a general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders (including proxies thereof) present at the general meeting.

The following matters shall be approved by ordinary resolutions at the general meeting:

i. work reports of the Board;

ii. profit distribution plans and loss recovery plans drafted by the Board;

iii. appointment or dismissal of the members of the Board, and determination of the remuneration of the Board;

iv. matters other than those required to be passed by way of special resolution pursuant to laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the general meeting:

i. the increase or decrease of the registered capital of the Company;

ii. division, spin-off, merger, termination, dissolution, liquidation and change in the form of the Company;

iii. amendments to the Articles of Association;

iv. purchase and disposal of substantial assets by the Company within one year, or a guaranteed amount exceeding 30% of the latest audited total assets of the Company, the foregoing provisions shall not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company, and between subsidiaries;

v. equity incentive plan;

vi. other matters that are required to be passed by way of special resolution pursuant to laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed or the Articles of Association, as well as other matters that the general meeting determines by way of ordinary resolution to have a material impact on the Company and that are required to be passed by way of special resolution.

Where matters relating to related party transactions are considered at the general meeting, the related shareholders and their associates shall not be involved in voting, and the voting shares they represent shall not be counted in the total number of valid voting rights. The voting particulars of the non- related persons shall be fully disclosed in the announcement on the resolution of the general meeting.

DIRECTORS AND THE BOARD

Directors

Directors of the Company shall be natural persons. The following person may not serve as a director of the Company:

i. a person without capacity or with limited capacity for civil conduct;

ii. a person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, where less than five years have elapsed since the sentence was served, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served, or where less than 2 years have elapsed since the date of expiration of the probationary period if such person is sentenced to probation;

iii. a person who served as a director, or factory director or general manager, and who assumed personal liability for the bankruptcy liquidation of a company or enterprise, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of such company or enterprise;

iv. a person who served as a legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law, and who assumed personal liability for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;

v. a person who has a relatively large amount of debts which have fallen due but have not been settled and was listed as a dishonest person subject to enforcement by the People's Court;

vi. a person who is banned by the CSRC from entering into the securities market for a period which has not yet expired;

vii. persons who have been publicly identified by a stock exchange as unsuitable to serve as directors, senior management members, etc. of a listed company, where the relevant period has not yet expired;

viii. any other matters as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or departmental rules.

Directors shall be elected or replaced at a general meeting and he/she may be dismissed at a general meeting before the expiry of his/her term of office. Directors serve a term of office of 3 years for each session. A director may be re-elected and reappointed upon the expiry of his/her term of office.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Company receives the written resignation report, and the Company shall disclose the relevant information no later than 2 trading days. Where the resignation of a director results in the number of directors on the Board of Directors falling below the minimum number required by law, or where the resignation of an independent non-executive director results in the proportion of independent non-executive directors on the Board of Directors or any of its special committees failing to meet the requirements of laws and regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or where there is no accounting professional among the independent non-executive directors, the resigning director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office.

Duties of Directors

Directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following duties of loyalty to the Company:

i. not to take advantage of his/her position to accept bribes or other illegal income;

ii. not to misappropriate the Company's property or misappropriate Company funds;

iii. not to deposit the Company's funds in accounts opened in his/her own name or in the name of any other individual;

iv. not to enter into contracts or conduct transactions with the Company either directly or indirectly, unless he/she has reported to the Board of Directors or the general meeting and obtained approval by a resolution of the Board of Directors or the general meeting in accordance with the provisions of the Articles of Association;

v. not to exploit his/her position to seek business opportunities belonging to the Company for himself/herself or others, except where such opportunities have been reported to the Board of Directors or the general meeting and approved by resolution of the general meeting, or where the Company is unable to utilise such business opportunities pursuant to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;

vi. not to engage in, or operate for others, any business of the same type as that of the Company without having reported to the Board of Directors or the general meeting and obtained approval by resolution of the general meeting;

vii. not to accept commissions in connection with transactions between third parties and the Company for his/her own benefit;

viii. not to disclose the Company's confidential information without authorisation;

ix. not to harm the interests of the Company by exploiting his/her connected relationships;

x. other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Directors shall comply with laws, administrative regulations and the Articles of Association, and shall owe a duty of diligence to the Company:

i. to exercise the rights granted by the Company in a prudent, serious and diligent manner to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and that its commercial activities do not exceed the scope of business stipulated in the business license;

ii. to treat all shareholders fairly;

iii. to keep abreast of the operation and management status of the Company in a timely manner;

iv. to sign written confirmation opinions on the periodic reports of the Company, and ensure that the information disclosed by the Company is truthful, accurate and complete;

v. to truthfully provide relevant information and materials to the Audit Committee, and not to obstruct the Audit Committee from exercising its powers;

vi. other duties of diligence stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

The Board

The Company shall set up a board of directors, which shall be accountable to the general meeting. There shall be one Chairman. The Chairman shall be elected by the Board of Directors by more than half of all directors. The members of the Board of Directors of the Company shall include no less than three independent non-executive directors.

The Board exercises the following functions and powers:

i. to convene general meetings and report on work to the general meeting;

ii. to implement the resolutions of the general meeting;

iii. to determine the business plans and investment plans of the Company;

iv. to formulate the profit distribution plans and loss recovery plans of the Company;

v. to formulate plans for increasing or decreasing the registered capital of the Company, the issuance of bonds or other securities, as well as the **[REDACTED]** plan of the Company;

vi. to formulate plans for major acquisitions, purchases of the company's own shares, merger, division, dissolution or change of form of the Company;

vii. to decide on matters relating to the Company's external investments, acquisition and disposal of assets, asset pledges, external guarantees, entrusted wealth management, connected transactions, external donations and other matters, within the scope of authorisation granted by the general meeting or in accordance with the listing rules of the stock exchange on which the Company's shares are listed;

viii. to decide on the setup of the internal management organization of the Company;

ix. to decide on the appointment or dismissal of the Company's Manager, Secretary to the Board and other senior management personnel, and decide on matters relating to their remuneration and rewards and punishments; to decide on the appointment or dismissal of the Company's Deputy Manager, person in charge of finance and other senior management personnel based on the nomination of the Manager, and decide on matters relating to their remuneration and rewards and punishments;

x. to set the basic management systems of the Company;

xi. formulate the plan for the amendment of the company's Articles of Association;

xii. manage the company's information disclosure matters;

xiii. propose to the shareholders' meeting to hire or replace the accounting firm that audits the company;

xiv. other functions and powers authorized by the laws, regulations, the regulatory rules of the stock exchange on which the Company's shares are listed, the general meeting and the Articles of Association.

The Board of Directors of the Company shall establish the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and Development Committee, which shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorisation of the Board of Directors. The proposals of the special committees shall be submitted to the Board of Directors for deliberation and decision. The members of the special committees shall all be directors, among which independent non-executive directors shall constitute the majority of and serve as the conveners of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and the convener of the Audit Committee shall be an accounting professional. The Board of Directors shall be responsible for formulating the working procedures of the special committees to regulate their operations.

The chairman of the Board exercises the following functions and powers:

i. to preside over general meetings, and preside over the Board meetings;

ii. to supervise and inspect the implementation of the resolutions of the Board;

iii. other functions and powers that the Board prudently grant to the chairman of the Board.

Board meetings shall be classified into regular meetings and extraordinary meetings. The chairman of the Board of Directors, shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than half of the independent non-executive directors or the audit committee may propose the convening of an extraordinary meeting of the Board of Directors. The chairman of the Board of Directors shall convene and preside over the extraordinary meeting of the Board of Directors within ten (10) days upon receipt of such proposal.

A Board meeting may be held only when a majority of the directors are present at the meeting. A resolution of the Board meeting must be approved with affirmative votes of a majority of all directors.

SENIOR MANAGEMENT

The Company shall have one general manager, several vice- managers, one chief financial officer and one secretary to the Board of whom shall be appointed or dismissed by the Board.

Each term of office of the general manager is 3 years and is renewable upon re-election of the Board.

The general manager is accountable to the Board and exercises the following functions and powers:

i. to be in charge of the production and operational management of the Company, organize the enforcement of resolutions of the Board and report to the Board on work;

ii. to organize the implementation of the annual operation plans and investment schemes of the Company;

iii. to formulate the structure scheme of the internal management department of the Company;

iv. to formulate the basic management system of the company;

v. to formulate the specific rules and regulations of the Company;

vi. to propose to the Board of Directors the appointment or removal of the deputy general manager(s) and chief financial officer of the Company;

vii. to decide on the appointment or dismissal of responsible management personnel except those whose appointment or dismissal shall be determined by the Board;

viii. other functions and powers authorized by the Articles of Association or the Board.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirements of the relevant authorities of China.

The Company shall prepare financial reports at the end of each accounting year, which shall be audited by an accounting firm in accordance with the law.

The Company adopts the Gregorian calendar year system for its accounting year, i.e., from January 1 to December 31 of each Gregorian calendar year constitutes one accounting year.

The Company shall prepare, publish and distribute annual reports and interim reports in accordance with the provisions of relevant laws and regulations and the Listing Rules.

The financial reports of the Company shall be kept at the Company for inspection by shareholders at least 21 days before the annual general meeting is held. Every shareholder of the Company is entitled to receive the financial reports mentioned in this Chapter.

The Company shall send the aforesaid reports by prepaid mail to each holder of overseas-listed foreign shares at least 21 days before the annual general meeting is held. The address of the recipient shall be the address registered in the register of shareholders. Subject to compliance with laws, administrative regulations and the listing rules of the place where the Company is listed, the Company may do so in the form of an announcement (including publication via the Company's website).

The Company shall not establish any other accounting books except for the statutory ones. No assets of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing the after-tax profit of the current year, the Company shall withdraw 10%of the profit as its statutory reserve funds. When the aggregate amount of the statutory reserve funds of the Company is more than 50% of its registered capital, further appropriations are not required.

Where the statutory reserve funds of the Company are insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve funds in accordance with the preceding paragraph.

After withdrawing the statutory reserve funds from after-tax profit, the Company may, subject to a resolution of the general meeting, withdraw the discretionary reserve funds from after-tax profit.

After making up for the losses and making allocations to the reserve funds, any remaining after-tax profit shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

The shares of the Company held by it are not entitled to any profit distribution.

Reserve funds of the Company shall be used for making up for the losses, business expansion for operation or registered capital replenishment of the Company. When using the reserve funds to make up for the losses of the Company, the discretionary reserve funds and the statutory reserve funds shall be used first; if the losses still cannot be made up, the capital reserve funds can be used in accordance with the requirements.

The Company must appoint one or more receiving agents in Hong Kong for its H-share shareholders. The receiving agents shall collect and hold the dividends and other amounts payable by the Company in respect of the H-shares on behalf of the relevant H-share shareholders until payment is made to such H-share shareholders. The receiving agents appointed by the Company shall meet the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Engagement of Accounting Firms

The Company shall engage an accounting firm which complies with the laws and regulations to conduct accounting statements audit, net assets verification and other relevant consultancy services, which is subject to renewal.

The appointment of any accounting firm of the Company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm.

When a general meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

MERGER, DIVISION, CAPITAL INCREASE AND CAPITAL REDUCTION

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify the creditors within 10 days from the date of the resolution to merge and publish an announcement within 30 days in accordance with the requirements. The creditors may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

In the event of a division, balance sheets and inventories of assets shall be prepared. The Company shall notify the creditors within 10 days from the date of the resolution to divide and publish an announcement within 30 days in accordance with the requirements.

The Company shall prepare balance sheets and inventories of assets when it needs to reduce its registered capital.

The Company shall notify the creditors within 10 days from the date of the resolution to reduce its registered capital and publish an announcement within 30 days in accordance with the requirements. The creditors may require the Company to settle the debts or provide appropriate guarantees within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

Where a merger or division of the Company involves any changes to any registration, an application for modification of registration shall be made to the Company's registration authority pursuant to the laws; where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws; where a new company is established, the Company shall apply for registration thereof in accordance with the laws.

Where the Company increases or reduces its registered capital, an application for modification of registration shall be made to the Company's registration authority pursuant to the laws.

Dissolution and Liquidation

In any of the following circumstances, the Company shall be dissolved:

i. the term of business operation set out in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;

ii. a resolution for dissolution is passed at a general meeting;

iii. dissolution is necessary due to a merger or division of the Company;

iv. the business license is revoked, the Company is ordered to close or is eliminated according to the laws;

v. the Company has experienced material difficulties in operation and management and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

The liquidation group shall be composed of directors, unless otherwise provided in the Articles of Association or unless the general meeting resolves to select other persons. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall be liable for compensation.

The liquidation committee exercises the following functions and powers during the liquidation period:

i. to sort out the assets of the Company and prepare balance sheets and inventories of assets respectively;

ii. to notify creditors by notice or public announcements;

iii. to deal with and settle any outstanding businesses of the Company;

iv. to pay outstanding taxes as well as taxes arising in the course of liquidation;

v. to settle claims and debts;

vi. to allocate the remaining assets of the Company after the repayment of debts;

vii. to represent the Company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and publish an announcement within 60 days in accordance with the requirements. The creditors shall declare their claims to the liquidation committee within 30 days after the receipt of the notice or within 45 days after the date of the announcement if the creditors have not received the notice.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

After sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee shall formulate a liquidation plan and present it to the general meeting or to the People's Court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the debts of the Company shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company shall continue to exist but shall not commence any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders before repayment of its debts in full in accordance with the preceding paragraph.

If, after sorting out the assets of the Company and preparing balance sheets and inventories of assets, the liquidation committee discovers that the assets of the Company are insufficient to repay its debts in full, it shall apply to the People's Court for bankruptcy in accordance with the laws.

After the People's Court has accepted that the Company is declared bankrupt, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit to the general meeting or the People's Court for confirmation. The liquidation committee shall submit the foregoing documents to the Company's registration authority and apply for deregistration of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

i. where, following any amendment to the Company Law, the Listing Rules or other relevant laws and administrative regulations, any provisions of the Articles of Association conflict with the amended laws, administrative regulations or the Listing Rules;

ii. the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;

iii. the general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association approved by the general meetings are subject to the examination and approval by the competent authorities, such amendments shall be submitted to the competent authorities for approval. Where the amendments involve registration of the Company, the Company shall register relevant changes according to the laws.

NOTICES

The notices of the Company may be served as follows:

i. delivered in person;

ii. sent by mail;

iii. made by announcement;

iv. other forms stipulated by the Articles of Association.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on March 17, 2020, and was converted into a joint stock limited company on December 31, 2025 under the laws of the PRC. Our registered office is located at 1/F, 2/F and 4/F, Building 1, Alley 100, No. 1–11 Boyi Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC. A summary of our Articles is set out in "Appendix VI—Summary of the Articles of Association."

Our Company has established a place of business in Hong Kong at 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on March 27, 2026. Ms. Lee Lai Wah has been appointed as our authorized representatives for acceptance of service of process and notices in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association is set out in Appendix VI.

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure," there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in "History, Development and Corporate Structure—Our Major Subsidiaries" and note 1 to the Accountants' Report as set out in Appendix I to this document.

Guangdong GoNa was incorporated on November 15, 2024, with a registered capital of RMB20,000,000.

On January 6, 2025, the issued share capital of Waftech increased from MYR400,000 to MYR533,333.

Huzhou GoNa was incorporated on December 16, 2025 in the PRC, with a registered capital of RMB30,000,000.

Longshu Intelligence was incorporated on February 6, 2026 in the PRC, with a registered capital of RMB5,000,000.

Beijing GoNa was incorporated on April 3, 2026 in the PRC, with a registered capital of RMB10,000,000.

Save as disclosed above, there has been no change in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders in relation to the [REDACTED]

Pursuant to a general meeting held on May 9, 2026, our Shareholders resolved that, among others:

(a) the subdivision of each of our Share with a nominal value of RMB1.00 on the basis of 1:10, with effect immediately before the **[REDACTED]**;

(b) the issuance by our Company of H Shares with a nominal value of RMB0.10 each and such H Shares being **[REDACTED]** on the Stock Exchange;

(c) the number of H Shares to be issued shall not be more than 25.0% of the total issued share capital of our Company as enlarged by the **[REDACTED]** (without taking into account of any H Shares which may be issued upon the exercise of the **[REDACTED]**), and the grant of the **[REDACTED]** in respect of not more than 15.0% of the number of H Shares initially available under the **[REDACTED]**;

(d) subject to the completion of the **[REDACTED]**, the adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and authorization to our Board to amend the Articles of Association to the extent necessary in accordance with laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the **[REDACTED]**; and

(e) authorization of our Board or its authorized individual(s) to handle all matters relating, among other things, to the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]** of H Shares on the Stock Exchange.

5. Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see "Appendix VI—Summary of the Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) **[REDACTED]**.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Registration number	Registered Owner	Place of registration	Class	Validity period
1	WAFTECH	TM2025029993	Waftech	Malaysia	7	September 2, 2025–September, 2035
2	果纳	67085667	Our Company	PRC	9	June 28, 2023–June 27, 2033
3	gina-semi	67085682	Our Company	PRC	9	October 28, 2023–October 27, 2033
4	gina-semi	67087796	Our Company	PRC	42	September 7, 2023–September 6, 2033
5	果纳	67089996	Our Company	PRC	42	April 21, 2023–April 20, 2033

No.	Trademark	Registration number	Registered Owner	Place of registration	Class	Validity period
6		45943172	Our Company	PRC	7	March 7, 2021–March 6, 2031
7	果纳	45961042	Our Company	PRC	7	December 21, 2020–December 20, 2030
8	gina-semi	45973950	Our Company	PRC	7	February 14, 2021–February 13, 2031
9		68247297	Wuhan Nayou	PRC	42	July 21, 2023–July 20, 2033
10		68244528	Wuhan Nayou	PRC	37	May 14, 2023–May 13, 2033
11	纳优	68227790	Wuhan Nayou	PRC	9	May 14, 2023–May 13, 2033
12		68247281	Wuhan Nayou	PRC	9	July 21, 2023–July 20, 2033
13	纳优	68247271	Wuhan Nayou	PRC	42	May 21, 2023–May 20, 2033
14	纳优	68227795	Wuhan Nayou	PRC	37	May 7, 2023–May 6, 2033
15		68227805	Wuhan Nayou	PRC	7	June 7, 2023–June 6, 2033
16	芯导	65683211	Xindao Precision	PRC	7	December 21, 2022–December 20, 2032
17	leadsemi	65690952	Xindao Precision	PRC	7	December 21, 2022–December 20, 2032
18		33307639	Xindao Precision	PRC	9	June 14, 2019–June 13, 2029
19		33299283	Xindao Precision	PRC	7	June 7, 2019–June 6, 2029
20		33316215	Xindao Precision	PRC	10	June 14, 2019–June 13, 2029
21		33303049	Xindao Precision	PRC	35	June 7, 2019–June 6, 2029

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Patent name	Patent number	Patent holder	Place of registration	Patent type	Validity period
1	A stopper device and an elevator (一種止擋裝置和升降機)	ZL202510878209.6	Our Company	PRC	Invention	June 27, 2025 to June 26, 2045
2	A control method for a handling robot (一種搬運機械手的控制方法). . . .	ZL202510777501.9	Our Company	PRC	Invention	June 11, 2025 to June 10, 2045
3	Rail assembly (軌道組件) . .	Zl202411838603.9	Our Company	PRC	Invention	December 13, 2024 to December 12, 2044
4	An overhead hoist transport rail (一種天車軌道). . . .	ZL202422954292.4	Our Company	PRC	Utility Model	December 2, 2024 to December 1, 2034
5	Overhead overhead hoist lifting device and lifting method (天車升降裝置和升降 方法)	ZL202411726108.9	Our Company	PRC	Invention	November 28, 2024 to November 27, 2044
6	A substrate carrier identification method, system, and storage medium (一種基片載體識別方法、系統和可存儲介質)	ZL202410878903.3	Zhejiang GoNa; Waftech; Our Company	PRC	Invention	July 2, 2024 to July 1, 2044
7	Substrate carrying device and a film-laminating apparatus (基片承載裝置和貼膜設備)	ZL202410809428.4	Waftech; Our Company	PRC	Invention	June 21, 2024 to June 20, 2044
8	An adaptive wafer transfer method, storage medium, and wafer transfer device (一種自適應晶圓傳輸方法、可存儲介質和晶圓傳輸設備)	ZL202311763143.3	Zhejiang GoNa; Our Company	PRC	Invention	December 21, 2023 to December 20, 2043

No.	Patent name	Patent number	Patent holder	Place of registration	Patent type	Validity period
9	A wafer flipping mechanism and wafer front-end transfer device (一種晶圓翻轉機構和晶圓前端傳輸設備)	ZL202311750312.X	Zhejiang GoNa; Our Company	PRC	Invention	December 19, 2023 to December 18, 2043
10	A micro-negative pressure system for a vacuum robot and the vacuum robot (一種真空機械手的微負壓系統及真空機械手)	ZL202311513308.1	Xindao Precision	PRC	Invention	November 14, 2023 to November 13, 2043
11	Overhead hoist transport system, transport method, and storage medium (天車搬運系統、搬運方法和可存儲介質)	ZL202310710915.0	Our Company	PRC	Invention	June 15, 2023 to June 14, 2043
12	An overhead hoist lifting device (一種天車提升裝置)	ZL202310530051.4	Our Company	PRC	Invention	May 12, 2023 to May 11, 2043
13	An overhead hoist teaching method (一種天車示教方法)	ZL202310447760.6	Our Company	PRC	Invention	April 24, 2023 to April 23, 2043
14	An SMIF opener control method, device, and storage medium (一種SMIF 開合器控制方法、裝置及存儲介質)	ZL202310276687.0	Our Company	PRC	Invention	March 21, 2023 to March 20, 2043
15	Pneumatic system for wafer carriers and an inflation device (晶圓載具用氣路系統及充氣設備)	ZL202223329037.8	Wuhan branch of our Company; Our Company	PRC	Utility Model	December 12, 2022 to December 11, 2032
16	A wafer flipping device (一種晶圓翻轉裝置)	ZL202223063533.3	Wuhan branch of our Company; Our Company	PRC	Utility Model	November 18, 2022 to November 17, 2032
17	A wafer pod door placement system	7256574	Our Company	Japan	Invention	October 17, 2022 to October 16, 2042
18	Placement system for door of wafer pod	US 11,664,256 B2	Our Company	United States	Invention	October 12, 2022 to October 11, 2042

No.	Patent name	Patent number	Patent holder	Place of registration	Patent type	Validity period
19	Robot testing method and testing device (機械手測試方法及測試裝置).	ZL202210853876.5	Wuhan branch of our Company; Zhejiang GoNa	PRC	Invention	July 20, 2022 to July 19, 2042
20	Multi-specification wafer cassette conversion device (多規格晶圓盒轉換裝置) .	ZL202221422135.3	Our Company	PRC	Utility Model	June 6, 2022 to June 5, 2032
21	Dynamic levelness detection method for an air-floating platform and a wafer transfer system applying the method (氣浮平臺動態水平度檢測方法及應用該方法的晶圓傳輸系統). . .	ZL202111676800.1	Our Company	PRC	Invention	December 31, 2021 to December 30, 2041
22	Dynamic horizontal adjustment method for a robotic arm (機械臂水平度動態調節方法).	ZL202111601385.3	Our Company	PRC	Invention	December 24, 2021 to December 23, 2041
23	Wafer scanning mechanism for a wafer loading stage (用於晶片載入台的晶片掃描機構)	ZL202111263661.X	Our Company	PRC	Invention	October 28, 2021 to October 27, 2041
24	A transmission structure for a wafer transfer robotic arm and the robotic arm (一種用於傳送晶圓機械臂的傳動結構及其機械臂). . . .	ZL202111213244.4	Xindao Precision	PRC	Invention	October 19, 2021 to October 18, 2041
25	Detecting incomplete residual tape separation along ring frame after lamination on semiconductor mounting system	MY-196924-A	Waftech	Malaysia	Invention	June 25, 2019 to June 25, 2039
26	Wafer detaping initial process requirement. . . .	MY-197682-A	Waftech	Malaysia	Invention	May 21, 2019 to May 21, 2039
27	A wafer pick-and-place robot (一種晶圓取放機械手) . .	ZL201910374047.7	Xindao Precision	PRC	Invention	May 7, 2019 to May 6, 2039
28	A box-opening machine (一種開盒機)	ZL201910374048.1	Xindao Precision	PRC	Invention	May 7, 2019 to May 6, 2039

No.	Patent name	Patent number	Patent holder	Place of registration	Patent type	Validity period
29	Replacing existing dicing tape using a tape cut and tape form system and method thereof	MY-189773-A	Waftech	Malaysia	Invention	June 12, 2017 to June 12, 2037
30	Wafer chuck	MY-175634-A	Waftech	Malaysia	Invention	December 8, 2016 to December 8, 2036

As of the Latest Practicable Date, we had applied for the following patents which we considered to be material to our business:

No.	Patent name	Application number	Patent holder	Place of registration	Patent type	Patent application date
1	An equipment front-end module (一種設備前端模塊)	CN202511513423.8	Our Company	PRC	Invention	October 22, 2025
2	An impedance matching method and device for an RF matcher (一種射頻匹配器阻抗值的匹配方法及裝置)	CN202510659877.X	Wuhan Nayou	PRC	Invention	May 21, 2025
3	An impedance monitoring method for an RF matcher (一種射頻匹配器阻抗值的監測方法)	CN202510606907.0	Wuhan Nayou	PRC	Invention	May 12, 2025
4	An RF power supply testing device and testing method (一種射頻電源測試裝置及測試方法)	CN202411567198.1	Wuhan Nayou	PRC	Invention	November 5, 2024
5	A matcher testing system and method (一種匹配器的測試系統及方法)	CN202410426330.0	Wuhan Nayou	PRC	Invention	April 10, 2024
6	A detection system for critical wafer transfer components (robot) in semiconductor equipment (一種半導體關鍵晶圓傳送部件(Robot)檢測系統)	CN202311857485.1	Wuhan Nayou	PRC	Invention	December 29, 2023

No.	Patent name	Application number	Patent holder	Place of registration	Patent type	Patent application date
7	A wafer transfer box and wafer loading device (一種晶圓傳送盒和晶圓裝載裝置)	CN202211708515.8	Wuhan branch of our Company	PRC	Invention	December 29, 2022
8	A wafer pick-and-place device and handling robot (一種晶圓取放裝置和搬運機械手)	CN202211325520.0	Wuhan branch of our Company	PRC	Invention	October 27, 2022
9	Multi-specification wafer cassette conversion device (多規格晶圓盒轉換裝置)	CN202210631169.1	Our Company	PRC	Invention	June 6, 2022

Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we considered to be material to our business:

No.	Copyright	Place of registration	Owner	Registration date	Registered number
1	GoNa LoadPort Embedded Control Software (GoNa LoadPort 嵌入式控制軟件)	PRC	Our Company	February 18, 2025	2025SR0278438
2	Front-End Transfer Module Software Based on Optical Metrology Equipment (基於光學量測設備的前端傳輸模塊軟件)	PRC	Our Company	December 11, 2024	2024SR2043832
3	Front-End Transfer Module Equipment Software Based on PVD Equipment (基於 PVD 設備的前端傳輸模塊設備軟件)	PRC	Our Company	December 10, 2024	2024SR2031489
4	Front-End Transfer Control Equipment Software Based on Etching Equipment (基於刻蝕設備的前端傳輸控制設備軟件)	PRC	Our Company	April 29, 2024	2024SR0584084

No.	Copyright	Place of registration	Owner	Registration date	Registered number
5	GONA RFID Embedded Software (GONA RFID 嵌入式軟件)	PRC	Our Company	February 29, 2024	2024SR0331369
6	GONA RFID Embedded Software (GONA RFID 嵌入式軟件)	PRC	Our Company	January 10, 2024	2024SR0071616
7	N2 Purge Station Embedded Control Software (N2 Purge Station 嵌入式控制軟件)	PRC	Our Company	January 5, 2024	2024SR0041228
8	IO Control and Data Acquisition System Embedded Software (IO 控制與數據采集系統嵌入式軟件).	PRC	Our Company	June 29, 2023	2023SR0755974
9	GONA SMIF Embedded Control Software (GONA SMIF 嵌入式控制軟件)	PRC	Our Company	March 20, 2023	2023SR0362923
10	GonaOht Embedded Control System (GonaOht 嵌入式控制系統)	PRC	Our Company	March 20, 2023	2023SR0362922
11	GonaSorter Software (GonaSorter 軟件). . . .	PRC	Our Company	October 21, 2021	2021SR1540363
12	GonaEfem Software (GonaEfem 軟件)	PRC	Our Company	October 21, 2021	2021SR1540256

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business:

No.	Domain name	Registered owner	Approval date
1	gona-semi.com	Our Company	August 31, 2020

Save as aforesaid, as at the Latest Practicable Date, there were no other intellectual property rights which were material in relation to our Group's business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts

We [have entered into a service contract] with each of our Directors in respect of, among others, (i) term of service, (ii) termination, and (iii) dispute resolution mechanism. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group.

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and "Appendix I—Notes to the Historical Financial Information—8. Directors' and Supervisors' Emoluments," none of our Directors received other remuneration or benefits in kind from our Company in respect of the years ended December 31, 2023, 2024 and 2025.

3. Disclosure of Interests

(a) Interests of our Directors and Chief Executive of the Company

Save as disclosed below, immediately following the completion of the Share Subdivision and the **[REDACTED]** (assuming no exercise of the **[REDACTED]**), so far as our Directors are aware, none of our Directors or chief executive will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or our associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange, once the H Shares are **[REDACTED]** on the Stock Exchange.

(i) Interests in our Company

Name	Position	Nature of interest	Number and description of Shares held	Approximate percentage of shareholding in the total share capital of our Company(1)
				(%)
Ms. Ye(2)	Executive Director, Chairlady and chief executive officer	Interest in controlled corporation	[REDACTED]	[REDACTED]

Notes:

(1) The number of Shares is presented based on the assumption that the Share Subdivision is completed. The calculation is based on the total number of **[REDACTED]** H Shares to be converted from Unlisted Shares in issue and **[REDACTED]** H Shares to be issued under the **[REDACTED]** (assuming the **[REDACTED]** is not exercised)

(2) Among the **[REDACTED]** Shares in which Ms. Ye was interested through controlled corporations, (i) **[REDACTED]** Shares were held through Shanghai Shixin, which is controlled by Ningbo Xilan as a general partner; (ii) **[REDACTED]** Shares were held through Shanghai Zhushi which is controlled by Ningbo Xilan as a general partner; and (iii) **[REDACTED]** Shares were held through Shanghai Haotang which is controlled by Ningbo Xilan as a general partner. and Ningbo Xilan is owned as to 99% by Ms. Ye. For further details, see "Substantial Shareholders."

(ii) Interests in associated corporations of our Company

To the best knowledge of our Directors, save for otherwise disclosed in this document, none of our Directors or chief executive of our Company has interests or short positions in the shares, underlying shares or debentures of the associated corporations of our Company.

(b) Interests of substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the Share Subdivision and the **[REDACTED]** and without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, our Directors are not aware of any other person (not being a Director, Supervisor or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

As of the Latest Practicable Date, save as disclosed below, our Directors are not aware of any persons who would, immediately following the completion of the **[REDACTED]**, be directly or indirectly interested in 10% or more of the issued voting shares of the following member of our Group (other than our Company).

(c) Interest of the substantial shareholders in other members of our Group

So far as the Directors are aware, the following person (other than our Company, and any subsidiaries of our Group) is entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of the subsidiary	Name of shareholder	Percentage of interest in the subsidiary
Wuxi Xindao	Beijing Hechuangda Information Consulting Center (Limited Partnership) (北京合創達信息諮詢中心(有限合夥))[Note]	29.5%
	Zhang Qingzhao (張慶釗)	13.6%
Waftech	Chan Boon Lin	18.3%
	Ho Yuh Cin	11.7%

Note:

Beijing Hechuangda Information Consulting Center (Limited Partnership) (北京合創達信息諮詢中心(有限合夥)) is ultimately controlled by Zhang Qingzhao (張慶釗).

4. Agency Fees or Commissions Received

The **[REDACTED]** will receive an **[REDACTED]** in connection with the **[REDACTED]**, see "**[REDACTED]**."

Within the two years immediately preceding the date of this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any shares in or debentures of the Company, or the rate of any such commission.

5. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are **[REDACTED]**;

(b) save as disclosed in this document, none of our Directors or any of the experts referred to under the paragraph headed "D. Other Information—7. Qualification of Experts" in this appendix is

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group as a whole;

(c) no cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the **[REDACTED]** or related transactions as mentioned in this document;

(d) so far as is known to our Directors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) will, immediately following the completion of the **[REDACTED]**, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group; and

(e) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

3. Application for [REDACTED]

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares in **[REDACTED]** and to be **[REDACTED]** as mentioned in this document. All necessary arrangements have been made to enable the securities to be admitted into **[REDACTED]**.

4. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of HK$4,900,000 to act as the sponsor to our Company in connection with the **[REDACTED]**.

5. Preliminary Expense

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

6. Promoters

The promoters of our Company as of the time of our Company's conversion into a joint stock company with limited liability on December 31, 2025, is as follows:

No.	Name
1.	Shanghai Shixin
2.	Shanghai Zhushi
3.	Shanghai Haotang
4.	Li Bin (李斌)
5.	Chen Min (陳敏)
6.	Wang Meijuan (王美娟)
7.	Suzhou Yuanzhixin Venture Capital Partnership (Limited Partnership) (蘇州元之芯創業投資合夥企業（有限合夥）)
8.	Suzhou Sanxing Zhiqi Venture Capital Partnership (Limited Partnership) (蘇州三行智祺創業投資合夥企業（有限合夥）)
9.	Shenzhen Tianxia Future Investment Enterprise (Limited Partnership) (深圳天下未來投資企業（有限合夥）)
10.	Suzhou Zhongke Zhongxin Venture Capital Partnership (Limited Partnership) (蘇州中科中鑫創業投資合夥企業（有限合夥）)
11.	Nantong Huada Microelectronics Group Co., Ltd. (南通華達微電子集團股份有限公司)
12.	Shanghai Jinpu Phase II Intelligent Technology Private Investment Fund Partnership (Limited Partnership) (上海金浦二期智能科技私募投資基金合夥企業（有限合夥）)
13.	Shanghai Dingfeng Jiacheng Private Equity Fund Partnership (Limited Partnership) (上海鼎峰嘉成私募基金合夥企業（有限合夥）)
14.	Yangzhou Qixin Xieli No. 1 Equity Investment Partnership (Limited Partnership) (揚州齊芯協力一號股權投資合夥企業（有限合夥）)
15.	Zhuhai Hengqin New Area Hongwei Venture Capital Fund Center (Limited Partnership) (珠海市橫琴新區弘微創業投資基金中心（有限合夥）)
16.	Zibo Hongdao Equity Investment Partnership (Limited Partnership) (淄博鴻道股權投資合夥企業（有限合夥）)
17.	Yangzhou Economic and Technological Development Zone Linxin Industry Investment Fund Partnership (Limited Partnership) (揚州經濟技術開發區臨芯產業投資基金合夥企業（有限合夥）)

No.	Name
18.	West Shanghai Automotive Service Co., Ltd. (西上海汽車服務股份有限公司)
19.	Nantong Zhiyuan Qihang Semiconductor Industry Investment Fund (Limited Partnership) (南通至遠啓行半導體產業投資基金（有限合夥）)
20.	Suzhou Juyuan Zhenxin Equity Investment Partnership (Limited Partnership) (蘇州聚源振芯股權投資合夥企業（有限合夥）)
21.	Beijing Jiangfeng Tongchuang Semiconductor Industry Fund (Limited Partnership) (北京江豐同創半導體產業基金（有限合夥）)
22.	Konfoong Materials International Co., Ltd. (寧波江豐電子材料股份有限公司)
23.	Gongqingcheng Changsheng Xiaoman Equity Investment Partnership (Limited Partnership) (共青城昌盛小滿股權投資合夥企業（有限合夥）)
24.	Gongqingcheng Hesheng Xinyuan Equity Investment Partnership (Limited Partnership) (共青城合盛芯源股權投資合夥企業（有限合夥）)
25.	Gongqingcheng Changsheng Guyu Equity Investment Partnership (Limited Partnership) (共青城昌盛穀雨股權投資合夥企業（有限合夥）)
26.	Yangzhou Linxin Optoelectronic Industry Fund (Limited Partnership) (揚州臨芯光電產業基金（有限合夥）)
27.	Wuxi Zhenghai Yuanyu Venture Capital Investment Partnership (Limited Partnership) (無錫正海緣宇創業投資合夥企業（有限合夥）)
28.	Huzhou CICC Qihe Equity Investment Partnership (Limited Partnership) (湖州中金啓合股權投資合夥企業（有限合夥）)
29.	Huzhou Xinchuang Equity Investment Partnership (Limited Partnership) (湖州信創股權投資合夥企業（有限合夥）)
30.	Changxing Xingchang Chuangqiang Investment Partnership (Limited Partnership) (長興興長創强投資合夥企業（有限合夥）)

Save as disclosed in "Financial Information—Dividend Policy", within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

7. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
Guotai Junan Capital Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) of the regulated activities under the SFO
KPMG	Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Beijing DeHeng Law Offices	Legal advisors as to PRC law
Frost & Sullivan	Industry consultant
AVISTA Valuation Advisory Limited	Property valuer

8. Consents of Experts

Each of the experts referred to in the section headed "—D. Other Information—7. Qualification of Experts" in this document has given and has not withdrawn its consent to the issuance of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

10. No Material Adverse Change

Our Directors believe that, as of the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2025, being the latest date of our consolidated financial statements as set out in Appendix I to this document.

11. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

12. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

13. Miscellaneous

Save as disclosed in this document:

(a) within the two years immediately preceding the date of this document save as in connection with the **[REDACTED]**, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or our subsidiaries and no Directors, promoters or experts named in "—D. Other Information—8. Consents of Experts" in this section have received any such payment or benefit;

(b) no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;

(c) save as disclosed in "—A. Further Information About Our Company—2. Changes in the Share Capital of Our Company" and "—A. Further Information About Our Company—3. Changes in the Share Capital of Our Subsidiaries", neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;

(d) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(e) our Company has not issued nor agreed to issue any founder or management or deferred shares or any deferred debentures;

(f) our Company has no outstanding convertible debt securities or debentures;

(g) there are no arrangements under which future dividends are waived or agreed to be waived;

(h) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(i) no part of the equity or debt securities of our Company, if any, is currently **[REDACTED]** on or **[REDACTED]** in on any stock exchange or trading system, and no such **[REDACTED]** or permission to **[REDACTED]** in on any stock exchange other than the Stock Exchange is being or is proposed to be sought; and

(j) our Company is a joint stock limited company and is subject to the PRC Company Law.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix VII—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts"; and

(b) the written consents referred to in "Appendix VII—Statutory and General Information—D. Other Information—8. Consents of Experts".

2. DOCUMENTS AVAILABLE ON DISPLAY

The following documents will be available on display on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.gona-semi.com**) up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report for the three years ended December 31, 2023, 2024 and 2025 from KPMG, the text of which is set out in "Appendix I—Accountants' Report";

(c) the report on the unaudited**[REDACTED]** financial information from KPMG, the text of which is set out in "Appendix II—Unaudited **[REDACTED]** Financial Information";

(d) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;

(e) the property valuation report prepared by AVISTA Valuation Advisory Limited, the text of which is set out in Appendix III to this document;

(f) the material contracts referred to in "Appendix VII—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts";

(g) the written consents referred to in "Appendix VII—Statutory and General Information—D. Other Information—8. Consents of Experts";

(h) the service contracts referred to in "Appendix VII—Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—1. Particulars of Directors' Service Contracts";

(i) the legal opinions issued by DeHeng Law Offices, our legal advisor as to PRC law, in respect of certain aspects of our Group;

(j) the PRC Company Law, the PRC Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translations; and

(k) the industry report issued by F&S, the summary of which is set forth in "Industry Overview".