SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only 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 "Risk Factors." You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in "Definitions" and "Glossary of Technical Terms" in this Document.

OVERVIEW

We manufacture and sell sensors, actuators and related modules, leveraging over two decades of operational experience and integrated research, development, production, and sales capabilities. We are focused on providing sensing and actuation solutions for multiple downstream application sectors, primarily including: (i) smart home solutions; (ii) smart automobile solutions; (iii) smart device solutions; and (iv) smart manufacturing solutions. Each solution is tailored to the functional requirements and application scenarios of specific downstream industries, covering diverse settings including home environments, in-vehicle systems, industrial control, and human-machine interaction.

In an era where intelligence and human-machine interaction are the core drivers of product innovation, accurate sensing, rapid response, and high integration have become critical enablers of next-generation smart products. We believe that smart sensing and actuation technologies form the fundamental infrastructure for ubiquitous connectivity and intelligent control. Whether empowering smart home with adaptive environmental regulation, or enabling automobiles and mobile devices to achieve real-time perception and safety-critical feedback, our solutions are designed to establish an efficient, tightly coordinated bridge between intelligent "perception" and "execution."

We operate under the IDM (Integrated Device Manufacturer) model, integrating key sensor and actuator production processes within our facilities, including sensitive materials, transducer chips, algorithms and precision manufacturing. We therefore can provide customised sensor and actuator hardware solutions for various intelligent applications.

International presence is one of our core corporate strategies and we have remained steadfast in maintaining a substantial level of overseas sales since our establishment. During the Track Record Period, revenue derived from mainland China amounted to RMB231.2 million, RMB330.6 million and RMB409.9 million, representing 49.5%, 53.6% and 60.0% of our total revenue, while revenue derived from overseas markets amounted to RMB235.9 million, RMB286.6 million and RMB273.4 million, representing 50.5%, 46.4% and 40.0% of our total revenue, respectively. Our customer network spans over 46 countries and regions, including Asia, Europe, North America and others.

SUMMARY

The following are our business highlights:

No.1 among China players(1) of smart home sensors (by global revenue of sensors for smart home products in 2025(2))	**No.3 among global players**(1) of automobile ultrasonic sensors and actuators suppliers (by global shipment volume in 2025(3))	**No.12 among China players**(1) of automobile sensors (by global revenue of automobile sensors in 2025(4))
Well-established technological value chain based on IDM model in the sensor and actuator industry of China	**Sole drafter** of the industry standard "General Specification for Ultrasonic Ranging Sensors" (Standard No. 2015-1810T-SJ) in China	**The first China player**(1) to achieve mass production of the AKII sensor
The first China player(1) to achieve mass production of a material identification sensor	**One of the earliest companies in China**(1) to achieve mass production application of lead-free piezoelectric ceramic technology	**One of the earliest companies in China**(1) to achieve mass production capability for PMUT technology

Note:

(1) According to Frost & Sullivan.
(2) With a market share of approximately 0.2%, of which the denominator is the global revenue of sensors for smart home products in 2025.
(3) With a market share of approximately 11.3%, of which the denominator is the global shipment volume of automobile ultrasonic sensors and actuators in 2025.
(4) With a market share of approximately 0.1%, of which the denominator is the global revenue of automobile sensors in 2025.

Our Market Opportunities

The sensor and actuator markets have grown steadily and are expected to continue expanding, driven by demand for intelligent perception and precise motion control. According to Frost & Sullivan, the global sensor and actuator markets expanded from approximately USD203.8 billion and USD280.0 billion in 2021 to approximately USD255.4 billion and USD338.9 billion in 2025, representing CAGRs of around 5.8% and 4.9%, respectively. Over the same period, China's sensor and actuator markets grew from approximately RMB317.9 billion and RMB421.2 billion to approximately RMB437.3 billion and RMB533.7 billion, with CAGRs of around 8.3% and 6.1%, respectively. Driven by accelerating applications in automobile, smart home, industrial automation, and smart devices, both global and China sensor and actuator markets are expected to maintain steady growth, with projected CAGRs of around 4.5% and 5.6% between 2025 and 2030, reaching roughly USD742.2 billion and RMB1,277.7 billion by 2030, respectively.

Our Financial Performance

We have achieved significant growth in revenue and profit during the Track Record Period. In 2023, 2024 and 2025, our revenue was RMB467.1 million, RMB617.2 million and RMB683.3 million, respectively, representing a CAGR of 21.0%. In 2023, 2024 and 2025, our profit for the year was RMB77.0 million. RMB94.0 million and RMB94.0 million, respectively, representing a CAGR of 10.5%. In 2023, 2024 and 2025, our net profit margin was 16.5%, 15.2%, and 13.8%, respectively.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are crucial to our current success and future growth:

- An international provider of diverse sensing and actuation solutions, empowering smart transformation across diverse scenarios;
- Customer-oriented operations foster a broad and strong customer base;
- Self-developed and integrated technology platform drives continuous innovation;
- IDM model provides fully integrated and independent supply chain for high-quality, scalable production; and
- Visionary and experienced management team.

OUR STRATEGIES

The key elements of our growth strategies include:

- Continue research and development investment to enhance product matrix and solutions;
- Strengthen sales network and enhance sales channel development and brand influence;
- Advance production layout to promote supply chain resilience and delivery capability;
- Advance AI-driven operational intelligence to enhance production and operational efficiency; and
- Build a robust talent system to support the execution of our strategic objectives.

RESEARCH AND DEVELOPMENT

We regard R&D as the cornerstone of our sustainable growth and long-term competitiveness and have therefore devoted substantial R&D resources to support our technological advancement and product diversification. For the years ended 31 December 2023, 2024 and 2025, our research and development expenses amounted to approximately RMB43.9 million, RMB51.4 million and RMB54.7 million, representing approximately 9.4%, 8.3% and 8.0% of our total revenue for the same years, respectively. As of the Latest Practicable Date, we held a total of 270 patents, including 82 invention patents, 176 utility model patents and 12 design patents. We also had 103 patent applications pending in the PRC and seven patent applications pending overseas. Our patent portfolio covers key technological areas such as ultrasonic sensing, piezoelectric actuation, flow measurement and atomisation, forming the technological foundation of our products.

PRODUCTION

As of 31 December 2025, we had three domestic production plants located in Guangzhou, Zhaoqing and Jingdezhen, China, and one overseas production plant located in Selangor, Malaysia, forming a geographically complementary manufacturing network that enhances our operational efficiency and supply chain resilience.

SALES AND MARKETING

We primarily adopt a direct sales model, which facilitates direct communication with customers, enabling us to swiftly respond to their technical requirements and establish long-term strategic partnerships with them. During the Track Record Period, our customers mainly comprised direct sales customers and trading company customers, with revenue from direct customers accounting for 89.6%, 96.1% and 97.4%, respectively, and revenue from trading company customers accounting for 10.4%, 3.9% and 2.6% for the same years. For details, please see "Business — Sales and Marketing."

EXPORT CONTROLS, SANCTIONS, U.S. TARIFFS AND U.S. OUTBOUND INVESTMENT RULES

Our global operations subject us to various applicable sanctions and export controls regulations. We source substantially all of our raw materials and components from suppliers in China, though we procure a small quantity of chips originating from Germany for use in certain automotive ultrasonic distance sensors, we have completed validation of domestic alternatives for those chips. Relevant export controls have minimal impact on our supply chain. A full transition to domestic sourcing of these chips is subject to our customers and/or end-users, i.e., automotive OEMs and/or their tier-1 suppliers, completing their own validation process to ensure compatibility between our sensor products and their systems' communication protocols. We are actively collaborating with these downstream OEMs and/or their tier-1 suppliers to advance their progress of domestic chip adoption, while continuing to procure these chips from Germany to fulfil customer orders in the meantime. Further, our products are used in civilian and household applications. Though we had limited transactions with (i) certain customers subject to U.S. export control restrictions or located in sanctioned countries or regions, and (ii) a supplier subject to blocking sanctions, relevant risks do not materially impact our business operations and financial performance. For details, please see "Business — Export Controls and Sanctions."

During the Track Record Period, U.S. tariffs have had limited direct impacts on our business. In particular, revenue from exports of our products produced in China to the U.S., which are subject to U.S. Section 301 Tariffs and the recent U.S. tariff policies adopted in 2025, accounted for a relatively small portion of our total revenue, representing approximately 8.0%, 7.9% and 7.3% in 2023, 2024 and 2025. Changes in U.S. tariff policies have also had some indirect impacts on our business, and were one of the factors contributing to the decrease in our revenue from sales of actuators by RMB36.7 million, or 29.3%, from RMB125.3 million in 2024 to RMB88.6 million in 2025. In particular, to the best of our knowledge, some of our overseas customers sold finished products assembled with our actuators to the U.S., and sales of these finished products were negatively affected by U.S. tariff policies, which in turn indirectly reduced our sales of such actuators. However, these tariffs mainly affected sales of our actuators, which contributed only a minor portion of our total revenue, while our revenue during the Track Record Period was primarily derived from sales of sensors. Specifically, during the Track Record Period, revenue derived from sales of actuators amounted to RMB99.1 million, RMB125.3 million and RMB88.6 million, representing only 21.2%, 20.3% and 13.0% of our total revenue. Notwithstanding these limited impacts, to mitigate potential geopolitical risks associated with tariff policies, we have implemented a series of strategic measures, including establishing overseas production capacity, expanding into other intentional markets, and strengthening R&D and enhancing our products' core competitiveness. For further details, please see "Business — Tariffs."

As we do not engage in the covered activities defined by the U.S. Outbound Investment Rules, we are not a covered foreign person as defined under the Outbound Investment Rules. U.S. persons' investment in us will not be prohibited or subject to reporting requirements. For details, please see "Business — Restrictions on Investment by U.S. Persons."

OUR CUSTOMERS AND SUPPLIERS

Our customers during the Track Record Period primarily include enterprises engaged in a wide range of downstream sectors including smart homes, smart automobile, smart devices, smart manufacturing, etc. We sell our products to over 46 countries and regions, including Asia, Europe, North America and others. During each of the years ended 31 December 2023, 2024 and 2025, revenue generated from our top five customers for each period during the Track Record Period amounted to RMB178.0 million, RMB220.8 million and RMB254.7 million, representing 38.0%, 35.7% and 37.3% of our total revenue during the respective years. Revenue generated from our largest customer for each year during the Track Record Period amounted to RMB65.1 million, RMB81.5 million and RMB123.6 million, representing 13.9%, 13.2% and 18.1% of our total revenue during the respective years.

During the Track Record Period, our major suppliers primarily comprised suppliers of raw materials and providers of outsourced labour services and processing procedures. Our raw materials primarily include electrode materials (e.g., silver and gold), electronic components (e.g., IC), rubber and plastic materials, electronic wires and base metal materials. Purchases from our five largest suppliers for each of the years ended 31 December 2023, 2024 and 2025 amounted to RMB72.9 million, RMB132.5 million and RMB128.1 million, representing 35.0%, 42.2% and 41.2% of our total purchases during the respective years. Purchases from our largest supplier for each of the years ended 31 December 2023, 2024 and 2025 amounted to RMB40.8 million, RMB80.1 million and RMB85.6 million, representing 19.6%, 25.5% and 27.5% of our total purchases during the respective years.

A portion of our sensor and actuator products use IC chips, which are utilised for signal processing and drive functions and are sourced through two channels: (i) direct procurement of standardised chips, and (ii) procurement of customised chips designed and supplied by suppliers according to our requirements. During the Track Record Period, the countries of origin for these chips included China and Germany. All chips, regardless of country of origin, are sourced from domestic suppliers. Our procurement decisions are made based on downstream customer requirements and the availability of suitable alternatives.

COMPETITION

The markets for sensors and actuators in which we operate are highly competitive. Our major competitors include domestic and international manufacturers of ultrasonic sensors, flow-measurement devices, haptic feedback components, acoustic modules, and related MEMS-based and smart sensing products, serving a wide range of applications such as automotive electronics, smart home, smart devices, and industrial automation. Competition in these markets is primarily driven by product performance and reliability; the level of intelligence and integration; capabilities in technological and process innovation; mass-production and supply-chain management; delivery stability; and overall cost efficiency. In addition, system-level solution capabilities and localised technical support have become increasingly important differentiating factors.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the three years ended 31 December 2023, 2024 and 2025. We have derived this summary from our financial information set forth in the Accountants' Report set out in Appendix I to this Document. The summary financial data set forth below should be read together with our consolidated financial information and the related notes, as well as the section headed "Financial Information".

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**467,081**	**100.0**	**617,164**	**100.0**	**683,316**	**100.0**
Cost of sales	(289,790)	62.0	(402,347)	65.2	(445,406)	65.2
Gross profit	**177,291**	**38.0**	**214,817**	**34.8**	**237,910**	**34.8**
Other income and other gains and losses	20,960	4.5	29,413	4.8	8,308	1.2
Selling and distribution expenses	(20,761)	4.4	(26,087)	4.2	(24,566)	3.6
Research and development expenses	(43,898)	9.4	(51,417)	8.3	(54,657)	8.0
Administrative and other expenses	(47,740)	10.2	(57,640)	9.3	(56,979)	8.3
Reversal/(provision) of impairment losses on financial assets, net	1,190	0.3	(1,563)	0.3	(1,943)	0.3
Share of the results of associates	(1,195)	0.3	(2,913)	0.5	(2,206)	0.3
Finance costs	(1,485)	0.3	(1,679)	0.3	(1,543)	0.2
Profit Before Tax	**84,362**	**18.1**	**102,931**	**16.7**	**104,324**	**15.3**
Income tax expense	(7,384)	1.6	(8,980)	1.5	(10,295)	1.5
Profit for the Year	**76,978**	**16.5**	**93,951**	**15.2**	**94,029**	**13.8**

See "Financial Information — Results of Operations."

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit for the year (a non-IFRS measure), as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that this measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS.

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	76,978	93,951	94.029
Add back:			
Equity-settled share-based payments[1]	2,898	4,969	2,659
[REDACTED] expenses[2]	—	—	[REDACTED]
Adjusted profit for the year (non-IFRS measure)	**79,876**	**98,920**	**97,006**

Notes:

(1) Equity-settled share-based payments relate to the share awards we granted to our employees under the Share Incentive Plan and were non-cash in nature. See "History, Development and Corporate Structure — Our Share Incentive Schemes" and Note 37 to the Accountants' Report set out in Appendix I to this Document for details.

(2) [REDACTED] expenses represent expenses relating to this [REDACTED].

Revenue

The following table sets forth a breakdown our revenue by product types for the years indicated:

	For the year ended 31 December					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue						
Sales of sensors	356,023	76.2	478,729	77.6	573,347	83.9
Sales of actuators	99,069	21.2	125,257	20.3	88,569	13.0
Others[1]	11,989	2.6	13,178	2.1	21,400	3.1
Total	**467,081**	**100.0**	**617,164**	**100.0**	**683,316**	**100.0**

Note:

(1) Others primarily include revenue from the sale of scrap materials generated during our production processes, product molds and product samples, as well as the provision of technical services to customers relating to our products. Such technical services primarily consist of (i) customised solution design, such as selecting appropriate product models, specifications and integration plans based on intended product application scenarios, (ii) providing product analyses, covering products' environmental adaptability, signal output performance, anti-interference capability, etc., (iii) joint product development services, including tracking design revisions, version upgrades and coordinated troubleshooting, and (iv) product testing and verification services.

The table below sets forth a breakdown of our revenue by solution scenarios for the years indicated:

	For the year ended 31 December					
	2023		**2024**		**2025**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue						
Smart home solutions	254,921	54.6	343,574	55.7	363,332	53.2
Smart automobile solutions	196,944	42.2	255,630	41.4	287,036	42.0
Smart device solutions	2,195	0.5	3,473	0.6	5,541	0.8
Smart manufacturing solutions	201	0.0	1,019	0.2	1,206	0.2
Others[1]	12,820	2.7	13,468	2.1	26,201	3.8
Total	**467,081**	**100.0**	**617,164**	**100.0**	**683,316**	**100.0**

Note:

(1) Others primarily include revenue from solutions in other application areas and the sale of scrap materials generated during our production processes, product molds and product samples, as well as the provision of technical services to customers relating to our products. Such technical services primarily consist of (i) customised solution design, such as selecting appropriate product models, specifications and integration plans based on intended product application scenarios, (ii) providing product analyses, covering products' environmental adaptability, signal output performance, anti-interference capability, etc., (iii) joint product development services, including tracking design revisions, version upgrades and coordinated troubleshooting, and (iv) product testing and verification services.

The table below sets forth our key products under smart home and smart automobile solutions and their revenue contributions:

	Sales revenue as a percentage of our total revenue for the year ended 31 December		
	2024	**2025**	**2026**
Smart home solutions			
Ultrasonic flow senor	19.7%	18.4%	22.9%
Material identification sensor	8.7%	12.5%	16.6%
Smoke alarm actuator	19.3%	18.9%	10.1%
Smart automobile solutions			
Ultrasonic distance measuring sensor	39.2%	38.6%	39.8%

The table below sets forth a breakdown of our revenue by geographic region for the years indicated:

	For the year ended 31 December					
	2023		2024		2025	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	Revenue	% of Total Revenue
	(RMB '000)		*(RMB '000)*		*(RMB '000)*	
Mainland China	231,167	49.5	330,558	53.6	409,869	60.0
Overseas	235,914	50.5	286,606	46.4	273,447	40.0
Total	467,081	100.0	617,164	100.0	683,316	100.0

Cost of Sales

Our cost of sales primarily consists of (i) costs of raw materials, including electrode materials (e.g., silver and gold), electronic components (e.g., IC), rubber and plastic materials, electronic wires and base metal materials, (ii) labour costs including our staff costs and purchase of outsourced labour services, (iii) manufacturing costs and (iv)transportation costs. See "Financial Information — Key Components of Our Consolidated Statement of Profit or Loss — Cost of Sales" in this Document for more details.

Gross Profit and Gross Profit Margin

For the years ended 31 December 2023, 2024 and 2025, our gross profit was RMB177.3 million, RMB214.8 million and RMB237.9 million, respectively, and our gross profit margin was 38.0%, 34.8% and 34.8% for the respective years, which remained relatively stable through the periods. During the Track Record Period, our gross profit margins in both mainland China and overseas regions remained relatively stable. Our overseas sales generally achieved higher gross margins than domestic sales, primarily because overseas customers generally require more customised products, which impose specific requirements regarding materials, environmental standards and performance.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our financial position as of the dates indicated, which have been extracted from our consolidated statements of financial position included in Appendix I to this Document:

	As of 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	254,495	333,692	377,224
Total current assets	844,540	852,029	863,927
Total current liabilities	137,518	144,000	135,117
Net current assets	**707,022**	**708,029**	**728,810**
TOTAL ASSETS LESS CURRENT LIABILITIES	**961,517**	**1,041,721**	**1,106,034**
Total non-current liabilities	36,712	35,590	32,869
NET ASSETS	**924,805**	**1,006,131**	**1,073,165**
TOTAL EQUITY	**924,805**	**1,006,131**	**1,073,165**

For details of our fluctuation in key items of our consolidated statements of financial position and net assets during the Track Record Period, see "Financial Information — Selected Items From The Consolidated Statements of Financial Position." Our net assets increased from RMB924.8 million as of 31 December 2023 to RMB1,006.1 million as of 31 December 2024, primarily due to profit for the year of RMB94.0 million in 2024, partially offset by dividends declared and paid of RMB28.2 million, share vested under share incentive plan of RMB8.4 million and equity settled share-based transactions of RMB5.0 million, in each case, in 2024. Our net assets further increased to RMB1,073.2 million as of 31 December 2025, primarily due to profit for the year of RMB94.0 million in 2025, partially offset by dividends declared and paid of RMB42.3 million, share vested under share incentive plan of RMB10.2 million and equity settled share-based transactions of RMB2.7 million, in each case, in 2025. For details, please see the Consolidated Statements of Changes in Equity to the Accountants' Report included in Appendix I to this Document.

Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated.

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating profit before working capital change	102,464	132,239	146,004
Cash generated from operations	69,546	85,631	126,789
Income tax paid	(9,415)	(7,769)	(12,144)
Interest received	12,250	9,550	6,636
Net cash from operating activities	72,381	87,412	121,281
Net cash used in investing activities	(60,812)	(103,072)	(81,532)
Net cash from/(used in) financing activities	6,957	(54,063)	(34,109)
Net increase/(decrease) in cash and cash equivalents	18,526	(69,723)	5,640
Cash and cash equivalents at the beginning of the year	537,342	555,868	486,145
Cash and cash equivalents at the end of the year	**555,868**	**486,145**	**491,785**

See "Financial Information — Liquidity and Capital Resources."

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates and for the years indicated.

	As of/For the year ended 31 December		
	2023	2024	2025
Gross profit margin(1)	38.0%	34.8%	34.8%
Net profit margin(2)	16.5%	15.2%	13.8%
Current ratio(3)	6.1	5.9	6.4
Quick ratio(4)	5.6	5.2	5.8
Gearing ratio(5)	6.1%	2.9%	4.5%

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.
(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.
(3) Current ratio is calculated using total current assets divided by total current liabilities.
(4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
(5) Gearing ratio is calculated using total debt (being bank borrowings and lease liabilities) divided by total equity and multiplied by 100%.

See "Financial Information — Key Financial Ratios."

RISK FACTORS

Our business and the [REDACTED] involved certain risks, which are set out in the section headed "Risk Factors" in this Document. You should read that section in its entirety before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include; (i) our businesses are dependent on various downstream industries, including primarily the smart home, smart automobiles, smart terminals and smart manufacturing industries. A downturn experienced by any of these industries or the economy in China or globally could materially and adversely affect our business; (ii) the industries that we operate in are highly competitive. If we fail to compete effectively and successfully, our business, results of operations and financial condition may be materially and adversely affected; (iii) if we fail to keep up with the evolution of industry technologies, adapt our technology to emerging industry standards, or develop new products, or if our investments in new technologies or new products prove unsuccessful or ineffective, our business may be materially and adversely affected; (iv) we derive a substantial portion of our revenue from our top customers and any significant decrease in their order levels may adversely affect our business; (v) we purchase our major raw materials from a selected number of key suppliers; and (vi) we are susceptible to supply shortages, longer lead time and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhang, an executive Director, the chairman of our Board and the general manager of our Company, and his spouse Ms. Huang, an executive Director, directly held 21,718,940 and 2,536,770 A Shares, accounting for approximately 15.39% and 1.80% of the issued share capital of our Company, respectively. Mr. Zhang and Ms. Huang, together, were interested in 24,255,710 A Shares, accounting for 17.19% of the issued share capital of our Company.

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhang and Ms. Huang, together, will be interested in approximately [REDACTED] of the total issued share capital of our Company.

PRIOR QUOTATION AND WITHDRAWAL OF QUOTATION ON THE NEEQ

On 18 May 2015, the shares of our Company commenced quotation on the NEEQ. The quotation of our Shares on the NEEQ was for the purpose of gaining more visibility to potential investors. Having taken into account our operation plans, long-term development plans, and financial needs in the long-run, on 14 June 2022, we withdrew our quotation from the NEEQ. Our PRC Legal Advisor is of the view that, from the PRC legal perspective, our Company (including our subsidiaries) or our Directors (for the performance of their duties as our Directors) had complied with all quotation rules and regulations applicable to the Company's NEEQ quotation in all material respects, and had not been subject to any material administrative penalty by the NEEQ, the CSRC or other competent securities regulatory authorities during the period of our quotation on the NEEQ. For further details, see "History, Development and Corporate Structure — Our Corporate Development and Major Shareholding Changes — Quotation on the NEEQ and Private Placements."

OUR LISTING ON THE BEIJING STOCK EXCHANGE

In order to have a better platform for access to the PRC capital markets, on 14 June 2022, the shares of our Company commenced listing on the Beijing Stock Exchange with the stock code of 920491 (832491 before 9 October 2025). The PRC Legal Advisor is of the view that, since the A-Share Listing and up to the Latest Practicable Date, our Company (including our subsidiaries) and our Directors (for the performance of their duties as our Directors) have complied with all listing rules and regulations applicable to the Company's A-share listing in all material respects, and there had been no instances of material administrative penalty on the Company with the applicable rules of the Beijing Stock Exchange and other applicable PRC securities laws and regulations. For further details, see "History, Development and Corporate Structure — Our Corporate Development and Major Shareholding Changes — Listing on the Beijing Stock Exchange."

[REDACTED] STATISTICS

The numbers in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] H Shares are newly [REDACTED] in the [REDACTED], (ii) the [REDACTED] is not exercised, and (iii) [REDACTED] Shares are [REDACTED] following the completion of the [REDACTED]:

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our H Shares[1]	HK$[REDACTED] million	HK$[REDACTED] million
[REDACTED] of our Shares upon the completion of the [REDACTED][2]	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets of our Group per Share	HK$[REDACTED] (RMB[REDACTED])	HK$[REDACTED] (RMB[REDACTED])

Notes:

(1) The calculation of [REDACTED] of our H shares is based on [REDACTED] H Shares expected to be issued immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For details, see "[Share Capital — Upon Completion of the [REDACTED]]" in this Document.

(2) The estimated [REDACTED] of our Shares is calculated as the aggregate of (i) the estimated [REDACTED] of the [REDACTED] H Shares to be issued after the completion of the [REDACTED], assuming that the [REDACTED] is not exercised, and (ii) the market capitalisation of the 141,143,180 A Shares in issue, based on the average closing price of our A Shares, being RMB[26.92] per A Share, for the five business days immediately preceding the Latest Practicable Date.

(3) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in "Appendix II — Unaudited [REDACTED] Financial Information" to this Document and based on [REDACTED] Shares, comprising [141,143,180] Shares in issue as at 31 December 2025, including [300,000] restricted shares which are contingently returnable as at 31 December 2025 as detailed in note [30(b)] of the Accountants' Report and [REDACTED] H Shares to be [REDACTED], assuming the [REDACTED] had been completed on 31 December 2025. It does not take into account (i) any Shares which may be [REDACTED] and [REDACTED] upon the exercise of the [REDACTED], (ii) any Shares which may be issued by the Company pursuant to the exercise of options or the vesting of restricted shares or other awards that have been or may be granted from time to time under the share scheme, or (iii) any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(4) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets per Share to reflect any trading results or other transactions of our Group entered into subsequent to 31 December 2025. Accordingly, the unaudited [REDACTED] adjusted consolidated net tangible assets per share as shown on Page II-1 have not been adjusted to illustrate the effect of the final dividends of approximately RMB42,343,000 declared on 22 April 2026. Had the effect of the final dividends been taken into account, the unaudited [REDACTED] adjusted consolidated net tangible assets per share would have decreased to approximately [REDACTED] (equivalent to [REDACTED]) and [REDACTED] (equivalent to [REDACTED]), based on the indicative [REDACTED] of HK$[REDACTED] and HK$[REDACTED] per [REDACTED], respectively.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our total [REDACTED] expenses (including [REDACTED]) will be approximately RMB[REDACTED] million, accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per H share, being the mid-point of the indicative [REDACTED] range stated in this Document and the [REDACTED] is not exercised). We recorded [REDACTED] expenses of RMB[REDACTED] million during the Track Record Period. The estimated [REDACTED] expenses of approximately RMB[REDACTED] million are expected to be charged to our consolidated statements of profit or loss and other comprehensive income after the Track Record Period, and approximately RMB[REDACTED] million are expected to be deducted from equity upon [REDACTED]. The [REDACTED] expenses consist of RMB[REDACTED] million [REDACTED]-related expenses and RMB[REDACTED] million non-[REDACTED]-related expenses (including fees and expenses of legal advisors and the reporting accountant of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED] million).

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] and HK$[REDACTED]), we estimate that we will receive [REDACTED] of approximately HK$[REDACTED] million from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amount set forth below:

- approximately [REDACTED]% or HK$[REDACTED] million will be used to enhance our production capacity, through increasing our production capacity in Malaysia and constructing our next-generation high-performance sensor and actuator production plant in China;
- approximately [REDACTED]% or HK$[REDACTED] million will be used for research and development innovation and digitalization construction;
- approximately [REDACTED]% or HK$[REDACTED] million will be used as working capital and general corporate purposes.

For further details, see "Future Plans and [REDACTED]".

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings against us or any of the Directors which had caused a material and adverse effect on our business, results of operations or financial condition, and we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions.

DIVIDEND POLICY

We declared and paid dividends of RMB13.8 million, RMB28.2 million and RMB42.3 million in 2023, 2024 and 2025, respectively.

We do not have a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. We adopted a formal dividend policy as stipulated in our Articles of Association. According to our Articles of Association, we may distribute cash dividends provided that certain conditions are met. In addition, according to our Articles of Association, and subject to the conditions for declaring cash dividends are satisfied, the amount of profits distributed by way of cash dividends for any fiscal year shall not be less than 20% of our distributable profits for that fiscal year. Furthermore, the proportion of cash dividends in any profit distribution shall not be less than 80%, 40% or 20%, depending on whether our Company is in a mature stage without major capital expenditure plans, a mature stage with major capital expenditure plans, or a growth stage with major capital expenditure plans. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests, industry characteristics, development stage, business model, whether there is a significant capital expenditure arrangement and any other conditions that our Board may deem relevant.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

On 5 March 2026, our Board of Directors resolved to approve an application to a bank to borrow a secured loan not exceeding RMB208.0 million, with a term of no more than ten years. The bank loan agreement was entered into on 16 April 2026 and secured by our land use right for a piece of land in Shiqi Smart Manufacturing Innovation Park, Guangzhou, Guangdong province, China with an area of 13,326.84 square meters. The loan proceeds are expected to fund the construction of our next-generation high-performance sensor and actuator production plant in China. For further details, see "Future Plans and [REDACTED]." We drew down the first tranche of RMB8.6 million on 23 April 2026, and the second tranche of RMB10.7 million on 22 May 2026.

Subsequent to the Track Record Period, our business remained stable. In the three months ended 31 March 2026, we experienced a slight decrease in revenue compared to the same period in 2025, primarily due to a decrease in revenue from smart home solutions driven by increased competition in the home service robot sector and reduced market demand for smart meters.

No Material Adverse Change

Our Directors have confirmed that, since 31 December 2025 and up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially affect the information shown in our financial information set forth in the Accountants' Report included in Appendix I to this Document.