

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. 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 forth in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are the world’s fifth largest and China’s second largest independent memory product⁽¹⁾ enterprise in terms of revenue in 2025, according to Frost & Sullivan. For the four months ended April 30, 2026, we recorded revenue of over US\$1.0 billion and profit for the period of over US\$500.0 million, reflecting the continued growth of our business scale and profitability during the period.

We develop, manufacture (primarily through outsourcing wafer processing to third-party foundries and assembly, packaging and testing to third-party OSAT providers) and sell memory solutions by leveraging our technology platform spanning (1) controller chip design and development, (2) firmware algorithm development, (3) testing system development and (4) storage medium characteristic analysis, enabling us to provide memory products to customers across multiple application scenarios.

Our product offerings mainly comprise (1) embedded storage, including eMMC, UFS, ePOP and uMCP, used in consumer devices such as smartphones, tablets and wearables as well as certain automotive applications, (2) SSD products across SATA and PCIe lines for PCs, servers and data-center/automotive-related use cases, (3) DRAM products, including DDR and LPDDR products used in smartphones and PCs, (4) mobile storage products such as USB flash drives and SD/microSD cards, and (5) memory IC products, including NAND Flash and DRAM wafers and dies.

We were established in December 2018. In 2023, our revenue exceeded US\$1.0 billion. We turned around from a net loss of RMB117.5 million in 2023 to net profit of RMB482.9 million in 2024 and RMB1,363.9 million in 2025, representing a 182.5% increase from 2024 to 2025, and further recorded a 3,020.8% increase in net profit from RMB123.1 million for the four months ended April 30, 2025 to RMB3,840.6 million for the same period in 2026. We supply memory products to a number of consumer electronics customers and brands in consumer-grade application scenarios, including Xiaomi, Transsion, OPPO, Vivo, TCL and Xiaodu. We have developed competitive strengths in the consumer-grade application scenarios, including (i) understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. These competitive strengths allow us to replicate our success in diverse application scenarios. We began to provide memory products for automotive-grade application scenarios in 2023 and successfully entered into the supply chains of tier 1 suppliers for automotive manufacturers (“**Tier 1 Suppliers**”)⁽²⁾. We have begun mass production of memory products used in enterprise-grade application scenarios.

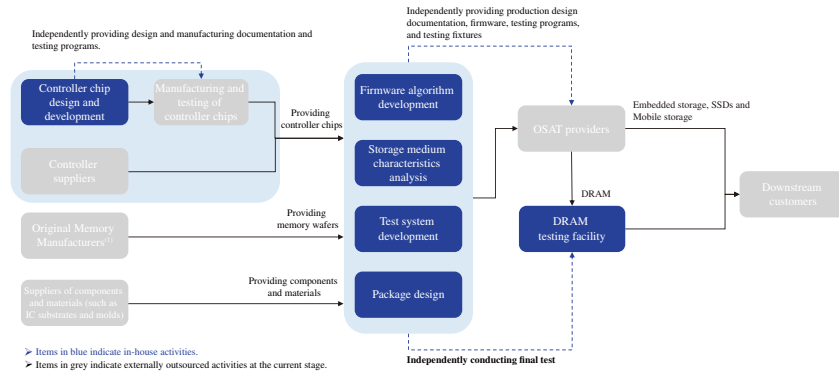
⁽¹⁾ For purposes of this document, memory products generally refer to hardware components or integrated products used to achieve temporary or permanent data storage and access in electronic devices and systems. They serve as key carriers for data storage, reading and transmission and include, among others, embedded storage products such as eMMC, UFS, eMCP/uMCP and ePOP, SSD products such as SATA SSDs, PCIe SSDs and portable SSDs, DRAM products such as DDR modules and LPDDR, mobile storage products such as USB flash drives and SD/microSD cards, memory IC products, and other memory products. Controller chips do not fall within the category of memory products because they do not serve as storage media or standalone storage devices. Rather, controller chips are logic and control ICs and key components used in certain memory products to manage data interaction between the host and the storage medium.

⁽²⁾ According to Frost & Sullivan, Tier 1 Supplier is an industry term commonly used in the automotive supply chain and generally refers to a supplier that directly provides components, modules, systems or solutions to automotive manufacturers, typically under a direct supply or contractual relationship and subject to the relevant qualification, validation, quality control and delivery requirements of such automotive manufacturers.

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The AI technology is entering a pivotal phase of accelerated adoption. The total data generated globally in 2025 has approached 200ZB. This surge in data generation has been a key driver of rapid growth in the semiconductor market. The core infrastructure of AI technology comprises (i) storage power, (ii) computing power and (iii) interconnect power. Storage power forms the cornerstone for managing, storing and orchestrating the vast datasets essential for AI training. As the cornerstone of storage power, memory products play a decisive role in determining the deployment efficiency, operational reliability and scalability of AI technology. By leveraging our customer network, we will continue to expand the application scenarios of our memory products and connect to more customers in the AI era.

The following diagram illustrates our role within the industrial chain of memory products:



- (1) According to Frost & Sullivan, Original Memory Manufacturer is an industry term in the memory product industry and generally refers to a memory manufacturer with original memory wafer or chip design, research and development and manufacturing capabilities, typically covering the development, production and supply of core memory wafers or chips such as NAND Flash and/or DRAM.

Our Customer Base and Supply Chain

Customer structure: Our customer base primarily comprises industry-leading enterprises. Our customer portfolio is concentrated on major application fields for memory products, such as smartphones, tablets, PCs, smart imaging devices, and in-vehicle central control systems. These fields not only serve as critical drivers of the digital economy but also represent key areas underpinning the rapid expansion of AI-driven demands. These customers have large-scale, stable demand and a consistent need for technological innovation, which propels the ongoing advancement and iteration of our products to address their diverse and evolving requirements.

Customer collaboration: We place emphasis on deep collaboration with leading customers. Leveraging our expertise in key technologies, we collaborate with customers to align with their technical requirements and conduct joint validation. This enables us to optimize memory products across dimensions such as capacity, speed, and power consumption, tailored to the specific needs of various application scenarios. For example, we have established joint validation laboratories in collaboration with smartphone providers, allowing us to anticipate industry trends in memory product technology.

Supply chain support: We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller suppliers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE and PTN for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity because we generally enter into multi-year framework agreements with our foundry and OSAT service providers and, based on our production planning and customer order schedule, place work orders in advance to allow them to arrange production schedules and processing resources. In addition, we implement supplier management and quality control measures (including rigorous qualification, regular

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performance reviews focusing on delivery reliability and quality assurance, and our own product inspections with contractual return rights for products that fail inspection), which supports the scalability and reliability of our outsourced manufacturing and packaging and helps us fulfill large-scale orders. In addition, we have established long-term strategic relationships of over three years with a number of industry-leading memory manufacturers and controller suppliers. We enter into annual procurement agreements with such memory manufacturers and controller suppliers and conduct quarterly and monthly technical exchanges on topics such as next-generation storage media, process advancements and architectural upgrades. This supply chain foundation strengthens our ability to integrate resources and support the sustainable growth of our ecosystem.

We operate an asset-light model under which we primarily outsource wafer processing, packaging and testing to third-party foundries and OSAT service providers, rather than making substantial capital investments in in-house packaging and testing facilities like certain peers, i.e., independent memory product enterprises. The packaging and testing of memory products are supported by a relatively mature industry chain, and there are numerous foundry and OSAT service providers in the market, which gives us flexibility in selecting service providers and, as of the Latest Practicable Date, we had not experienced any material production capacity constraints in our cooperation with such partners. We believe this model is commercially and strategically beneficial because it reduces upfront capital expenditure and fixed costs, allows us to access the technology, scale and process capabilities of established foundry and OSAT partners, enhances production flexibility and scalability across different product categories and customer requirements, and enables us to focus our resources on our core competencies in controller chip design and development, firmware algorithm development, testing system development and storage medium characteristic analysis. At the same time, compared with peers that conduct packaging and testing in-house, our asset-light model may provide us with less direct control over certain packaging and testing processes, and we may be more exposed to third-party capacity allocation, lead-time fluctuations, quality control coordination and supply chain disruptions.

Our Market Opportunities

Market Demand Driven by Data-intensive Applications, including AI-related Applications

AI-related and other data-intensive applications are expected to contribute to demand for memory products with higher capacity, performance and reliability requirements. According to Frost & Sullivan, the global memory product market is expected to grow from US\$377.5 billion in 2026 to US\$723.8 billion in 2030, representing a CAGR of 17.7%. We believe these market trends may create opportunities for memory product enterprises, although demand for memory products remains subject to industry cyclicity, supply-demand conditions, product adoption and other market factors.

- ***Consumer-grade application scenarios:*** AI-powered upgrades in consumer applications are increasingly aligned with user-centric demands. This shift encompasses the rapid iteration of AI phones, AI tablets and AI PCs (meaning smartphones, tablets and personal computers that incorporate dedicated AI processing capabilities to run certain AI features locally, including functions such as image enhancement, voice recognition, real-time translation, summarization and other on-device intelligent assistance), as well as the expansion of AI capabilities in intelligent imaging and wearable devices. Consumer grade was the largest group of application scenarios in the global memory product market in 2025. The global market size of consumer-grade application scenarios was US\$87.4 billion in 2025 and is expected to further grow from 2026 to 2030.
- ***Enterprise-grade application scenarios:*** With the exponential expansion of large model training, cloud computing services, and industry data, storage power has emerged as a critical bottleneck, following computing power, driving unprecedented growth in storage demand. The market size of enterprise-grade application scenario is expected to grow from US\$104.2 billion in 2026 to US\$196.1 billion in 2030, representing a CAGR of 17.1%. Furthermore, Enterprise grade was the second largest group of application scenarios in the global memory product market in 2025.

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- **Automotive-grade application scenarios:** Memory products used in automotive-grade application scenarios shall adhere to rigorous standards for temperature tolerance, shock resistance and reliability, and the mass production requires complex certification processes. The automotive-grade application scenarios accelerated transition towards electrification, intelligence and IoT. The market size of automotive-grade application scenarios is expected to grow from US\$87.7 billion in 2026 to US\$179.5 billion in 2030, representing a CAGR of 19.6%.

Industry Cycle and Demand from Data-intensive Applications

According to Frost & Sullivan, demand from AI-related and other data-intensive applications, together with changes in supply structure, contributed to upward price movements in certain memory products in 2025. However, the memory product industry has historically been cyclical and may continue to experience price volatility, inventory adjustments and supply-demand imbalances. We cannot assure you that such demand growth or price trends will continue.

OUR STRENGTHS AND STRATEGIES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) a leading independent memory product enterprise; (ii) continuous technological innovation; (iii) product portfolio with strong performance and designed for diverse application scenario; (iv) supplier-and-customer ecosystem covering industry-leading enterprises; and (v) experienced management team. We intend to implement the following strategies: (i) continuously investing in technology capabilities and product development; (ii) continuously developing memory products, expanding diverse application scenarios; (iii) deepening our global presence; and (iv) building multi-level talent development framework.

OUR PRODUCTS

Our products primarily include the following:

- **Embedded storage:** Embedded storage is our core product. Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup encompassing eMMC, UFS, ePOP and uMCP. Our embedded storage products can be used in fields such as smartphones, tablets, AI cameras, drones, AI glasses, smart watches, cameras, in-vehicle central control systems, intelligent cockpit systems and T-boxes.
- **SSDs:** SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives. Across SATA and PCIe product lines, we support multiple interface generations such as SATA 3.0, PCIe3.0 and PCIe4.0. The application scenario coverage of our SSDs is extending from consumer grade to automotive grade and enterprise grade. Our SSDs products can be used in fields such as PCs, data centers and in-vehicle central control systems.
- **DRAM:** DRAM refers to a type of volatile memory used in computers and other devices to store data that is actively being used or processed, requiring periodic refreshing to maintain the stored information. Our DRAM portfolio covers multiple product categories, including DDR4 and DDR5, LPDDR4X and LPDDR5X low-power memory, as well as DDR4 and DDR5 DRAM modules. Our DRAM products can be used in fields such as smartphones and PCs.
- **Mobile Storage:** Mobile storage refers to portable storage devices. Our mobile storage products include USB flash drives and microSD memory cards.
- **Memory IC:** Our memory IC products mainly include (i) NAND Flash wafer and dies, and (ii) DRAM wafer and dies. Our memory IC are used to produce embedded storage, SSDs, DRAM and mobile storage.

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The following table sets forth the details of our products during the Track Record Period, the key functionalities of which are data storage.

Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece (RMB)	Illustrative examples
Embedded Storage	Consumer-grade	eMMC	- Technology: eMMC5.1 - Capacity: 4GB to 256GB - Read/Write speed: up to 320MB/s/260MB/s - Operating temperature: -25℃ to 85℃	Smartphones	Commercialized	Smartphone manufacturers	31-66	eMMC products are used in terminal devices such as phones and TVs, primarily for operating system installation and data storage. They are characterized by high integration and low cost, while offering relatively basic performance in terms of speed.
			- Technology: UFS2.2/UFS3.1/UFS4.1 - Capacity: 32GB to 1TB - Read/Write speed: up to 4,300MB/s/3,700MB/s - Operating temperature: -25℃ to 85℃	Smartphones and tablets	Commercialized	Smartphone manufacturers and tablet manufacturers	10-108	UFS products are used in flagship and high-end smartphones and tablets as internal storage for data read and write operations. They are characterized by superior read and write performance, enabling faster application launch and smoother multitasking.
		ePOP	- Technology: ePOP5X - Capacity: 64GB+4GB to 128GB+4GB - Read/Write speed: up to 320MB/s/260MB/s - LPDDR data rate: up to 8.533Mbps - Operating temperature: -25℃ to 85℃	Smart watches and AI glasses	Under development	Wearable device manufacturers	N/A	ePOP products are used in wearable devices such as smart watches and AI glasses. By integrating storage and memory in a stacked package, they significantly reduce printed circuit board space and are well suited for compact electronic devices with highly constrained internal space.
			- Technology: uMCP4X - Capacity: 64GB+4GB to 512GB+16GB - Read/Write speed: up to 1,020MB/s/880MB/s - LPDDR data rate: up to 4.266Mbps - Operating temperature: -25℃ to 85℃	Smartphones and tablets	Commercialized	Module manufacturers	36-295	uMCP products are used in mid- to high-end smartphones. By integrating UFS flash and LPDDR memory into a single package, they reduce footprint and free up space for components such as batteries or camera modules, while maintaining fast read and write performance.
Automotive-grade	Automotive-grade	eMMC	- Technology: eMMC5.1 - Capacity: 8GB to 256GB - Read/Write speed: up to 320MB/s/260MB/s - Operating temperature: -40℃ to 105℃	Intelligent cockpit systems, in-vehicle central control systems and T-BOX systems	Commercialized	Tier 1 Suppliers and automobile manufacturers	22-160	Automotive-grade eMMC is used in applications such as vehicle instrument clusters, in-vehicle navigation systems and dash cameras, primarily for storing map data, system firmware and other information. It is characterized by more stringent requirements on temperature tolerance and endurance compared to consumer-grade products, ensuring stable and reliable performance during vehicle operation.
			- Technology: UFS2.1/UFS3.1/UFS4.1 - Capacity: 64GB to 512GB - Read/Write speed: up to 4,300MB/s/3,700MB/s - Operating temperature: -40℃ to 105℃	Intelligent cockpit systems and in-vehicle central control systems	Commercialized	Tier 1 Suppliers and automobile manufacturers	65-103	Automotive-grade UFS is used in applications such as intelligent cockpit systems and in-vehicle central control systems, primarily for high-speed read and write of large volumes of sensor data and map information. It is characterized by fast read and write performance, enabling it to meet the stringent real-time data processing requirements of vehicles.

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Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece (RMB)	Illustrative examples
SSDs	Consumer-grade	• SATA SSD	- Technology: SATA3.0 - Capacity: 128GB to 16TB - Read/Write speed: up to 540MB/s/500MB/s - Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	Computer manufacturers and tablet manufacturers	47-4,392	SATA SSDs are used in PCs and tablets as system drives or storage drives. Compared to traditional hard disk drives, they offer significantly improved read and write speeds, enabling faster boot times and quicker application loading.
		• PCIe SSD	- Technology: PCIe3.0/PCIe4.0 - Capacity: 128GB to 4TB - Read/Write speed: up to 7,400MB/s/6,500MB/s - Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	Computer manufacturers and tablet manufacturers	63-3,239	PCIe SSDs are used in applications such as high-performance PCs and tablets. Leveraging higher-speed interfaces, they are suitable for scenarios such as large-scale gaming and video editing. They are characterized by sequential read and write speeds that can reach several times those of SATA SSDs, enabling more efficient large file transfers.
		• Portable SSD	- Technology: USB3.2 - Capacity: 128GB to 2TB - Read/Write speed: up to 2,000MB/s/2,000MB/s - Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	PSSD brand manufacturer	78-541	Portable SSDs are used for personal data backup, cross-device file transfer and external storage for smartphones and computers. They feature a compact form factor and plug-and-play functionality via USB interfaces, offering a balance of high-speed read and write performance and portability for convenient access to important data on the go.
DRAM	Enterprise-grade	• PCIe5.0 enterprise SSD	- Technology: PCIe5.0 eSSD - Capacity: 3.84TB to 122.88TB - Read/Write speed: up to 13GB/s/10GB/s - Operating temperature: 0℃ to 77℃	Data centers	Certain capacities are commercialized	Internet companies, cloud service providers and AI-native enterprises	18,881-35,008	Enterprise-grade PCIe SSDs are used in applications such as data centers and AI servers, primarily for handling high-concurrency read and write operations and database workloads. They are characterized by stable performance under prolonged continuous operation and incorporate features such as power-loss protection.
		• Automotive BGA SSD	- Technology: BGA SSD PCIe4.0 - Capacity: 256GB to 1TB - Read/Write speed: up to 3,700MB/s/2,900MB/s - Operating temperature: -40℃ to 105℃	In-vehicle central control systems	Commercialized	Tier 1 Suppliers and automobile manufacturers	251-1,247	Automotive-grade BGA SSDs are used in intelligent vehicles (including cockpit and driving systems). Featuring chip-level packaging and direct soldering onto the mainboard, they offer a compact form factor and strong vibration resistance, enabling stable operation under prolonged vehicle vibration and wide temperature ranges.
		• LPDDR	- Technology: LPDDR4X/LPDDR5X - Capacity: 512MB to 18GB - Data rate: up to 8.533Mbps - Operating temperature: -25℃ to 85℃	Smartphones	Commercialized	Smartphone manufacturers	5-223	LPDDR products are used in mobile devices such as smartphones and tablets as system memory for temporarily storing active application data. They are characterized by low power consumption and low voltage, helping to extend battery life.
DRAM	Consumer-grade	• DDR	- Technology: DDR3/DDR4/DDR5 - Capacity: 256MB to 3GB - Data rate: up to 6,400Mbps - Operating temperature: 0℃ to 85℃	PCs	Commercialized	Computer manufacturers	5-63	DDR products are used in desktop computers and standard laptops as memory modules installed in motherboard slots for fast data exchange with the CPU. They are characterized by flexible capacity configurations and stable performance, and represent a common form of computer memory.

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Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece (RMB)	Illustrative examples
Mobile storage	Enterprise-grade	- DRAM modules - DRAM modules — RDIMM	- Technology: DDR3/DDR4/DDR5 DRAM module - Capacity: 2GB to 64GB - Data rate: up to 6,400Mbps - Operating temperature: 0℃ to 70℃ - Technology: DDR4/DDR5 DRAM module - Capacity: 16GB to 96GB - Data rate: up to 5,600Mbps - Operating temperature: 0℃ to 95℃	PCs	Commercialized	Computer manufacturers	14-925	DRAM modules are commonly used as memory modules in laptops, desktops and servers. Installed in devices through standardized interfaces, they are used for temporarily storing data being processed by the CPU. They are characterized by upgradability and replaceability.
	Consumer-grade	USB Flash Driver	- Technology: USB2.0/USB3.0 - Capacity: 1GB to 1TB - Read/Write speed: up to 220MB/s/130MB/s - Operating temperature: 0℃ to 70℃	PCs and servers	Commercialized	Surveillance equipment manufacturers, automobile manufacturers, audio equipment manufacturers and computer manufacturers	6-134	RDIMM modules are developed for high-performance computing scenarios, including enterprise servers, data centers, HPC and AI applications. Integrating ECC functionality, they are designed to meet the demand for parallel processing of multiple system tasks. With high reliability and stability, they effectively support the operation of servers under high-load environments.
		microSD	- Technology: microSDHC/microSDXC/UHS-I/V30/A2 - Capacity: 2GB to 256GB - Read/Write speed: up to 95MB/s/85MB/s - Operating temperature: 0℃ to 70℃	Smartphones, cameras and drones	Commercialized	Smartphone manufacturers, action camera manufacturers, automobile manufacturers, surveillance equipment manufacturers and drone manufacturers	11-73	USB flash drives are used for temporary personal file storage, document transfer and creating system installation media. They connect to devices such as computers and televisions via USB interfaces and are characterized by plug-and-play functionality, a compact form factor and ease of use.
								MicroSD cards are used in applications such as smartphone storage expansion, action cameras, drones and surveillance devices. As removable storage media, they are used to store files such as photos and videos. They are characterized by a compact form factor, a wide range of capacity options and ease of replacement.

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OUR MEMORY TECHNOLOGY PLATFORM

Our memory technology platform primarily include the following key technologies:

- ***Controller chip design and development.*** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a key source of our competitive advantage in the market.

We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had eight models of self-designed and developed controller chips at different R&D stages, including sample delivery as well as tape-out, back-end and front-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline.

As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms, enabling precise scheduling and optimization of storage medium based on hardware capabilities. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption, achieving an optimal balance between high performance and low power usage to deliver a smoother and more enduring user experience.
- ***Testing system development.*** We have established a comprehensive, self-developed testing development spanning from the chip level to the system level. At the chip level, leveraging our self-developed MBIST/LBIST frameworks, we conduct automated unit testing, simulated aging and extreme-condition verification. At the system level, we deploy full-platform stress testing and extensive compatibility tests to build a robust quality assurance barrier. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability. In addition, we have developed a fully autonomous mass-production testing system that employs highly automated testing programs, simulation-based test methodologies and advanced diagnostic tools to rapidly complete comprehensive assessments of product performance, reliability, compatibility and aging behavior.
- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. By thoroughly understanding the characteristics of media from various suppliers, we can accurately match customers with the most suitable components for their application scenarios, delivering optimized and cost-effective products. This research also forms the technical foundation for firmware algorithm development and controller chip design and development, supporting precise sorting and grading of components, maximizing medium performance and predicting and mitigating potential risks associated with medium usage. As a result, this capability ensures exceptional reliability and long-term stability of our products throughout their entire lifecycle.

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OUR CUSTOMERS AND SUPPLIERS

Our sales channels consist of both direct sales and distributorship. Our customers include, among others, smartphone and tablet manufacturers, wearable device manufacturers, module manufacturers, Tier 1 Suppliers, automobile manufacturers and computer manufacturers. During the Track Record Period, the majority of our products were sold through direct sales, while the rest were sold through distributorship. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, revenue generated from direct sales was RMB5,072.6 million, RMB6,410.6 million, RMB7,388.2 million, RMB1,797.7 million and RMB4,348.1 million, respectively, representing 57.8%, 73.5%, 65.7%, 64.1% and 54.3% of our total revenue for the same periods, while revenue generated from distributorship was RMB3,708.1 million, RMB2,307.8 million, RMB3,849.4 million, RMB1,006.8 million and RMB3,664.2 million, respectively, representing 42.2%, 26.5%, 34.3%, 35.9% and 45.7% of our total revenue for the same periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our five largest customers amounted to RMB5,210.6 million, RMB5,740.0 million, RMB5,226.5 million and RMB3,273.9 million, respectively, accounting for 59.4%, 65.7%, 46.6% and 40.8% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 20.9%, 33.4%, 15.4% and 15.6% of our total revenue, respectively.

During the Track Record Period, our major suppliers primarily consisted of raw material suppliers and service providers, including original memory manufacturers (“**Original Memory Manufacturers**”)⁽¹⁾, controller suppliers, foundries and OSAT providers. In 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million, RMB6,616.4 million and RMB4,310.2 million, respectively, representing 43.5%, 49.4%, 55.5% and 63.0% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 12.6%, 11.6%, 15.7% and 19.8% of our total purchases for the same periods, respectively.

COMPETITION

The global memory product industry is a tremendous market space. The global memory product market size was US\$289.0 billion in 2025. The market size is expected to increase continuously from US\$377.5 billion in 2026 to US\$723.8 billion in 2030, with a CAGR of 17.7% during the period. We primarily compete with global and local independent memory product enterprises. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. For more information on the competitive landscape of our industry, see “Industry Overview.”

ENTITY LIST DESIGNATION OF HEFEI CORE STORAGE

On December 16, 2022, the U.S. Department of Commerce Bureau of Industry and Security (“**BIS**”) designated our wholly-owned subsidiary Hefei Core Storage Electronic Limited (合肥兆芯電子有限公司) (“**Hefei Core Storage**”) on the Entity List. BIS stated that the designation was based on information indicating that certain companies including Hefei Core Storage presented a significant risk of diversion of items to Entity List parties, i.e., Huawei Technologies Co., Ltd. and Hangzhou Hikvision Digital Technology Co., Ltd. Following an internal review of our Group’s sales records, we confirmed that our Group (including Hefei Core Storage) has not conducted any business transactions with Huawei or Hikvision and has not sold any products to Huawei or Hikvision since our establishment. The Entity List designation means that exports, reexports or transfers (in-country) to Hefei Core Storage of items that are subject to the U.S. Export Administration Regulations (the “**EAR**”)

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including certain U.S.-origin items and certain non-U.S.-origin items subject to U.S. Export Administration Regulations may require a BIS license, and may restrict Hefei Core Storage’s ability to procure or obtain certain goods, software and technology that are subject to the EAR. The designation does not, by itself, directly restrict Hefei Core Storage’s external sales activities, external services or after-sales activities, or its own financial activities or research and development activities, but may affect such activities in practice to the extent they depend on access to items, software or technology that are subject to the EAR. The restrictions imposed by BIS on Hefei Core Storage do not apply to other members of our Group, except that Hefei Yichao, which is wholly owned by Hefei Core Storage, would become subject to the Entity List licensing requirement if implementation of the Affiliates Rule resumes in the future.

Following the designation, Hefei Core Storage has gradually reduced its sales activities and currently sells only existing inventory; based on our assessment of Hefei Core Storage’s existing inventory and market demand, we expect Hefei Core Storage to cease its sales activities by the end of 2026.

During the Track Record Period, Hefei Core Storage’s revenue contribution remained immaterial to our Group. Hefei Core Storage’s revenue contribution represented 3.0%, 0.2%, 0.1% and less than 0.1% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Hefei Core Storage had approximately 155, 22, 14 and 9 employees in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for approximately 19.8%, 1.9%, 1.0%, and 0.7% of our Group’s total headcount for the respective years. We have implemented operational segregation and compliance measures to mitigate related risks, including segregation of research and development, procurement, sales, personnel roles and IT systems between Hefei Core Storage and other members of our Group. As advised by our international sanctions legal adviser, the restrictions imposed by BIS on Hefei Core Storage do not apply to other members of our Group, except that Hefei Yichao, which is wholly owned by Hefei Core Storage, would become subject to the Entity List licensing requirement if implementation of the Affiliates Rule resumes in the future. Based on the assessment conducted by us and our international sanctions legal adviser, our business activities during the Track Record Period and up to the Latest Practicable Date should not be subject to any material export control or sanctions risks, and the designation of Hefei Core Storage on the Entity List should not have any material impact on our supply chain, business operations, financial performance, research and development capabilities, and product and service offerings. For details, see “Business — U.S. Export Controls, Sanctions and Entity List Designation of Hefei Core Storage” and “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Revenue	8,780,699	100.0	8,718,412	100.0	11,237,576	100.0	2,804,510	100.0	8,012,275	100.0
Cost of sales	(8,363,547)	(95.2)	(7,318,805)	(83.9)	(8,791,188)	(78.2)	(2,417,918)	(86.2)	(3,043,467)	(38.0)
Gross profit	417,152	4.8	1,399,607	16.1	2,446,388	21.8	386,592	13.8	4,968,808	62.0
Other income and gains	51,585	0.6	38,926	0.4	44,615	0.4	19,441	0.7	6,267	0.1
Selling and distribution expenses	(41,924)	(0.5)	(52,916)	(0.6)	(65,934)	(0.6)	(20,011)	(0.7)	(28,436)	(0.4)
Administrative expenses	(161,960)	(1.9)	(148,063)	(1.7)	(191,085)	(1.7)	(52,992)	(2.0)	(80,785)	(1.1)

SUMMARY

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Research and development expenses . . .	(282,563)	(3.2)	(392,182)	(4.5)	(493,180)	(4.4)	(151,400)	(5.4)	(199,632)	(2.5)
Impairment losses on financial assets, net	(19,938)	(0.2)	(13,868)	(0.2)	23,693	0.2	7,088	0.3	(9,484)	(0.1)
Other expenses	(8,480)	(0.1)	(96,658)	(1.1)	(37,685)	(0.3)	(6)	(0.0)	(90,734)	(1.1)
Finance costs	(72,342)	(0.9)	(154,607)	(1.8)	(137,844)	(1.2)	(44,545)	(1.6)	(42,558)	(0.5)
Share of losses of an associate	(13,059)	(0.1)	(11,654)	(0.1)	(14,054)	(0.2)	(3,577)	(0.1)	5,058	0.1
(Loss)/profit before tax	(131,529)	(1.5)	568,585	6.5	1,574,914	14.0	140,590	5.0	4,528,504	56.5
Income tax credit/(expense).	14,079	0.2	(85,712)	(1.0)	(211,029)	(1.9)	(17,522)	(0.6)	(687,858)	(8.6)
(Loss)/profit for the year/period	<u>(117,450)</u>	<u>(1.3)</u>	<u>482,873</u>	<u>5.5</u>	<u>1,363,885</u>	<u>12.1</u>	<u>123,068</u>	<u>4.4</u>	<u>3,840,646</u>	<u>47.9</u>

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs. The following table presents our non-IFRS financial measures for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)				
Reconciliation of profit/(loss) for the year/period to adjusted profit/(loss) (non-IFRS measures) and adjusted EBITDA (non-IFRS measures)					
(Loss)/Profit for the year/period. . . .	(117,450)	482,873	1,363,885	123,068	3,840,646
Add:					
Share-based payment expenses ⁽¹⁾	85,765	67,742	81,584	28,541	55,030
Adjusted net (loss)/profit (non-IFRS measures)	(31,685)	550,615	1,445,469	151,609	3,895,676
Add:					
Depreciation and amortization	125,556	161,911	169,248	53,848	59,741
Net finance costs	71,491	154,047	137,191	44,412	39,693
Income tax expenses/(credit)	(14,079)	85,712	211,029	17,522	687,858
Adjusted EBITDA (non-IFRS measures)	151,283	952,285	1,962,937	267,391	4,682,968

(1) Share-based payment expenses are non-cash expenses.

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Revenue

The following table sets forth a breakdown of our revenue by product type during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Embedded storage	3,732,376	42.5	5,687,730	65.2	5,369,884	47.8	1,333,001	47.5	5,432,943	67.8
SSDs	1,932,012	22.0	776,110	8.9	963,989	8.6	290,391	10.4	335,604	4.2
DRAM.	112,087	1.3	1,062,748	12.2	2,784,062	24.8	755,854	27.0	1,088,245	13.6
Mobile storage	321,041	3.7	227,486	2.6	345,603	3.1	100,569	3.6	213,546	2.7
Memory IC.	2,360,469	26.9	784,166	9.0	1,719,397	15.2	298,874	10.6	927,309	11.5
Others ⁽¹⁾	322,714	3.6	180,172	2.1	54,641	0.5	25,821	0.9	14,628	0.2
Total	8,780,699	100.0	8,718,412	100.0	11,237,576	100.0	2,804,510	100.0	8,012,275	100.0

- (1) Primarily include (i) controller chips, sold as separate units, which are chips used to standardize communication between the host and the NAND storage medium and are primarily responsible for logical-to-physical address mapping and optimization of NAND endurance and performance based on NAND characteristics; (ii) technical services, primarily comprising customized firmware development services provided to customers; and (iii) servers, primarily comprising high-performance servers, including integrated computing appliances and TPU 2U servers, which integrate CPUs/GPUs, memory, high-speed storage, network interface cards, heat dissipation and power supply systems and are designed for high-density parallel computing and large-scale AI model computing scenarios.

Price Trends of Key Memory Products and Impact on Our Financial Performance

According to Frost & Sullivan, market prices of key memory products, including DRAM and NAND Flash-based products, experienced phased fluctuations from 2021 to early 2026. Prices remained relatively high in 2021, mainly due to global supply chain constraints and strong demand arising from remote working, online learning, cloud services and digital infrastructure. Prices declined significantly in 2022 as demand from terminal consumer electronics weakened and the industry entered an inventory destocking cycle, and remained at relatively low levels from 2023 to mid-2025 due to earlier capacity expansion, high inventory levels of consumer-grade products, relatively loose supply-demand conditions and insufficient demand growth. From mid-to-late 2025 to early 2026, prices increased significantly, mainly due to increased demand for high-performance memory products from AI-related applications and the reallocation of production capacity by leading Original Memory Manufacturers toward higher-end and higher-margin products, which tightened the supply of certain traditional memory products.

The following table sets forth the sales volume in GB and average selling price per GB of our main products during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	(million GB)	(RMB per GB)	(million GB)	(RMB per GB)	(million GB)	(RMB per GB)	(million GB)	(RMB per GB)	(million GB)	(RMB per GB)
Embedded storage	12,410.7	0.30	15,462.7	0.37	26,307.0	0.20	5,694.6	0.23	10,684.5	0.51
SSDs	9,458.7	0.20	2,366.0	0.33	2,957.0	0.33	1,040.0	0.28	362.8	0.93
DRAM.	11.6	9.64	75.7	14.05	197.3	14.11	61.8	12.24	31.1	34.98
Mobile storage	1,285.0	0.25	788.1	0.29	1,253.4	0.28	411.9	0.24	311.7	0.68
Memory IC.	14,058.8	0.17	2,387.5	0.33	4,308.2	0.40	901.1	0.33	2,827.0	0.33

Our average selling prices are affected by market price trends, but may not move in line with such trends due to changes in product specifications, customers, our pricing strategies and, in the case of embedded storage, the accounting presentation under the Customer Supply Arrangement. From 2023 to 2024, the average selling prices of our embedded storage, SSDs, DRAM, mobile storage and memory

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IC products increased from RMB0.30 to RMB0.37 per GB, RMB0.20 to RMB0.33 per GB, RMB9.64 to RMB14.05 per GB, RMB0.25 to RMB0.29 per GB and RMB0.17 to RMB0.33 per GB, respectively. Such increases contributed to the increase in our overall gross profit margin from 4.8% in 2023 to 16.1% in 2024 and supported our turnaround from net loss to net profit in 2024.

From 2024 to 2025, the average selling price trends of our products were mixed. The average selling price of embedded storage decreased from RMB0.37 to RMB0.20 per GB, primarily due to the accounting presentation under the Customer Supply Arrangement; excluding such arrangement, the average selling price remained relatively stable at RMB0.48 and RMB0.47 per GB in 2024 and 2025, respectively. The average selling price of SSDs remained stable at RMB0.33 per GB, while the average selling prices of DRAM and memory IC increased from RMB14.05 to RMB14.11 per GB and from RMB0.33 to RMB0.40 per GB, respectively. The average selling price of mobile storage decreased slightly from RMB0.29 to RMB0.28 per GB. Accordingly, the increase in our overall gross profit margin from 16.1% in 2024 to 21.8% in 2025 reflected not only product price movements, but also changes in product mix, enhanced economies of scale and reductions in unit costs resulting from improved utilization of raw materials.

From the four months ended April 30, 2025 to the four months ended April 30, 2026, the average selling prices of most of our major product categories significantly increased. The average selling prices of embedded storage, SSDs, DRAM and mobile storage products increased from RMB0.23 to RMB0.51 per GB, RMB0.28 to RMB0.93 per GB, RMB12.24 to RMB34.98 per GB and RMB0.24 to RMB0.68 per GB, respectively. The average selling price of embedded storage continued to be affected by the accounting presentation under the Customer Supply Arrangement; excluding such arrangement, the average selling price of embedded storage increased from RMB0.40 to RMB1.75 per GB. The average selling price of memory IC remained stable. As a result, our overall gross profit margin increased from 13.8% in the four months ended April 30, 2025 to 62.0% in the four months ended April 30, 2026, reflecting increases in market prices of memory products, partially offset by increases in unit cost of sales for certain products due to increases in raw material prices.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Embedded storage	25,724	0.7	1,175,670	20.7	821,431	15.3	147,234	11.0	3,346,545	61.6
SSDs	122,792	6.4	79,116	10.2	320,796	33.3	43,266	14.9	248,556	74.1
DRAM	(22,480)	(20.1)	(93,623)	(8.8)	614,909	22.1	105,419	13.9	619,214	56.9
Mobile storage	47,786	14.9	75,690	33.3	176,232	51.0	50,461	50.2	165,842	77.7
Memory IC	130,093	5.5	145,200	18.5	497,737	28.9	30,750	10.3	583,552	62.9
Others ⁽¹⁾	113,237	35.1	17,554	9.7	15,283	28.0	9,462	36.6	5,099	34.9
Total	417,152	4.8	1,399,607	16.1	2,446,388	21.8	386,592	13.8	4,968,808	62.0

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

During the Track Record Period, we recorded a net loss of RMB117.5 million for 2023, and a net profit of RMB482.9 million, RMB1,363.9 million, RMB123.1 million and RMB3,840.6 million in 2024, 2025 and the four months ended April 30, 2025 and 2026. Our net profit/(loss) improved primarily due to changes in our gross profit and gross profit margin. Specifically, our gross profit increased from RMB417.2 million (gross profit margin of 4.8%) in 2023 to RMB1,399.6 million (gross profit margin of 16.1%) in 2024, which supported our turnaround to profit for the year in 2024. Our gross profit margin increased from 4.8% in 2023 to 16.1% in 2024, primarily due to (1) an increase in the gross

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profit margin of embedded storage, primarily due to the increase in the average selling price of the embedded storage, as a result of an increase in the market price of embedded storage, according to Frost and Sullivan; and (2) a decrease in the gross loss margin of DRAM, primarily due to an increase in the average selling price of the DRAM, as a result of the launch of our new DDR5 product, which has a higher average selling price and lower gross loss margin. Our gross profit further increased to RMB2,446.4 million (gross profit margin of 21.8%) in 2025. Our gross profit margin increased from 16.1% in 2024 to 21.8% in 2025, primarily attributable to (i) the turnaround of our DRAM products from a gross loss margin of 8.8% to a gross profit margin of 22.1%, driven by our enhanced economies of scale as a result of increased purchases from our existing customers, and (ii) an improvement in the gross profit margin of our SSD products and memory IC products from 10.2% to 33.3% and 18.5% to 28.9%, respectively, primarily due to a decrease in the unit cost of sales for our SSD products as a result of our improved technology, leading to better utilization of raw materials, and the increase in average selling price for our memory IC products, respectively. Our gross profit further increased from RMB386.6 million in the four months ended April 30, 2025 to RMB4,968.8 million in the four months ended April 30, 2026. Our gross profit margin increased from 13.8% in the four months ended April 30, 2025 to 62.0% in the four months ended April 30, 2026, primarily attributable to increases in the gross profit margins of our major product categories, mainly driven by increases in market prices of memory products.

Summary of Selected Items of Financial Positions

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current Assets	1,100,973	975,372	862,592	949,863
Current Assets	4,767,861	6,654,798	9,541,050	17,716,693
Total Assets	5,868,834	7,630,170	10,403,642	18,666,556
Non-current Liabilities	119,396	123,716	868,303	1,351,031
Current Liabilities	3,755,904	4,915,795	5,189,172	9,133,542
Total Liabilities	3,875,300	5,039,511	6,057,475	10,484,573
Net Current Assets	1,011,957	1,739,003	4,351,878	8,583,151
Net Assets	1,993,534	2,590,659	4,346,167	8,181,983
Share capital	442,650	449,354	467,814	467,814
Reserves	1,550,884	2,141,305	3,878,353	7,714,169
Total Equity	1,993,534	2,590,659	4,346,167	8,181,983

Our net assets increased from RMB1,993.5 million as of December 31, 2023 to RMB2,590.7 million as of December 31, 2024, primarily due to total comprehensive income for the year of RMB492.7 million, equity-settled share-based payments of RMB67.7 million and issue of shares of RMB54.2 million, partially offset by the recognition of redemption liabilities on ordinary shares of RMB30.0 million. Our net assets further increased to RMB4,346.2 million as of December 31, 2025, primarily due to total comprehensive income for the year of RMB1,316.7 million, issue of shares of RMB338.5 million and equity-settled share-based payments of RMB81.6 million. Our net assets further increased to RMB8,182.0 million as of April 30, 2026, primarily due to total comprehensive income for the period of RMB3,779.8 million and equity-settled share-based payments of RMB55.0 million. See the consolidated statements of changes in equity in Appendix I for details.

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Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash flows (used in) from					
operating activities	(1,048,244)	(1,122,025)	716,701	(430,187)	(2,691,062)
Net cash flows used in investing					
activities	(8,370)	(127,643)	(120,875)	(31,704)	(28,779)
Net cash flows from/(used in)					
financing activities	1,245,558	1,269,111	(247,600)	401,055	2,846,459
Net increase in cash and cash					
equivalents	188,944	19,443	348,226	(60,836)	126,618
Cash and cash equivalents at the					
beginning of the year/period	91,148	254,714	275,790	275,790	562,614
Cash and cash equivalents at the					
end of the year/period	254,714	275,790	562,614	211,751	624,593

We recorded net cash flows used in operating activities of RMB1,048.2 million, RMB1,122.0 million and RMB2,691.1 million in 2023, 2024 and the four months ended April 30, 2026, respectively, primarily due to working capital requirements associated with the development and expansion of our business, and recorded net cash flows generated from operating activities of RMB716.7 million in 2025. In 2023, our operating cash outflow was primarily attributable to loss before tax of RMB131.5 million and working capital movements, including an increase in trade receivables of RMB1,375.3 million and an increase in inventories of RMB547.5 million, partially offset by an increase in trade payables of RMB589.8 million and non-cash and non-operating items. In 2024, our operating cash outflow was primarily attributable to working capital movements, including an increase in inventories of RMB1,900.6 million, an increase in trade receivables of RMB326.1 million and a decrease in trade payables of RMB279.4 million, partially offset by profit before tax of RMB568.6 million and non-cash and non-operating items. We recorded net cash flows generated from operating activities of RMB716.7 million in 2025, primarily due to profit before tax of RMB1,574.9 million, an increase in trade payables of RMB1,268.1 million and a decrease in trade receivables of RMB1,058.2 million, partially offset by an increase in inventories of RMB3,214.2 million. For the four months ended April 30, 2026, we recorded net cash flows used in operating activities of RMB2,691.1 million, primarily due to working capital movements, including an increase in inventories of RMB3,759.6 million, an increase in prepayments, other receivables and other assets of RMB3,128.5 million and an increase in trade receivables of RMB1,279.4 million, as well as income tax paid of RMB330.4 million, partially offset by profit before tax of RMB4,528.5 million, an increase in contract liabilities of RMB568.0 million, an increase in trade payables of RMB530.0 million and non-cash and non-operating items.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of or for the year ended December 31,			As of or for the four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Net (loss)/profit margin	(1.3)%	5.5%	12.1%	4.4%	47.9%
Current ratio	1.3	1.4	1.8	1.4	1.9

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	As of or for the year ended December 31,			As of or for the four months ended April 30,	
	2023	2024	2025	2025	2026
				<i>(Unaudited)</i>	
Adjusted EBITDA ('000) (non-IFRS measure)	151,283	952,285	1,962,937	267,391	4,682,968
(Loss)/return on equity.	(6.4)%	21.1%	39.3%	4.3%	61.3%

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Some of the major risk factors that we face include: (1) failure to continuously develop and innovate our products to meet customers’ evolving needs in terms of functionality, performance, reliability, design and security, which could prevent us from retaining existing customers, attracting new customers or increasing sales; (2) the highly competitive nature of the industry in which we operate, and our failure to compete effectively against other market participants, which could materially and adversely affect our business, results of operations and financial condition; (3) new scientific and technological outcomes or trends that could render our products uncompetitive or obsolete; (4) the historically cyclical nature of the markets in which we compete, including downturns and declines in average selling prices that have materially adversely affected, and may in the future materially adversely affect, our business, results of operations and financial condition; (5) failure to manage our growth and expansion effectively, which could materially and adversely affect our business, financial condition and results of operations; (6) failure to effectively manage the introduction of new products, which could impair our competitiveness or our ability to stimulate customer demand; (7) failure to obtain or maintain adequate intellectual property rights protection for our products, or the possibility that the scope of such protection may not be sufficiently broad; (8) third-party claims alleging infringement of their intellectual property rights and potential intellectual property negotiations and disputes, including those relating to standard-essential patents, which could be prolonged and could result in liabilities, penalties, license fees, royalties, settlement payments, product redesign or suspension of sales of the products involved; (9) risks associated with international trade policies, geopolitics and trade protection measures, including the imposition of trade restrictions and sanctions and our limited ability to control onward sales by downstream customers to restricted parties or for restricted end uses, which could adversely affect our reputation, business, results of operations and financial condition; and (10) inability to retain our senior management team, key employees and qualified staff, or to attract and compete for talent, which could adversely affect our business, financial condition and results of operations.

OUR CONTROLLING SHAREHOLDERS

Mr. Wu, our executive Director, chairperson of the Board and general manager, through (i) Xinruilai, which is owned as to approximately 71.76% by Mr. Wu; (ii) Shenzhen Jubang, which is owned as to approximately 0.22% by Mr. Wu as the general and executive partner and as to approximately 22.22% by Ms. Wu Jiamin, Mr. Wu’s daughter and an executive Director, as a limited partner; and (iii) Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan, in each of which Mr. Wu serves as the general and executive partner, was entitled to exercise approximately 36.68% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will be entitled to control approximately [REDACTED] of the voting rights in our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme).

Accordingly, Mr. Wu, Ms. Wu Jiamin, Xinruilai, Shenzhen Jubang, Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan will together constitute a group of our Controlling Shareholders under the Listing Rules. For more details

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about our corporate structure and the shareholding of our Controlling Shareholders, please refer to the paragraphs headed “History, Development and Corporate Structure — Corporate Structure” and the section headed “Relationship with Our Controlling Shareholders” in this document.

PRE-[REDACTED] INVESTMENTS

We have engaged in the Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors, including, among others, Kunqiao Capital, Juyuan Xinchuang, Shenzhen HTI and Hefei Industry Investment. For further details of the identities and background of our Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, please refer to the paragraphs headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document.

CONTINUING CONNECTED TRANSACTION

We have entered into, and are expected to continue with, certain transaction after the [REDACTED] which will constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange [has granted] us, a waiver in relation to certain continuing connected transaction between us and our connected person under Chapter 14A of the Listing Rules. For more details about the continuing connected transaction and the waiver, please refer to the section headed “Connected Transaction” in this document.

PRE-[REDACTED] SHARE OPTION SCHEME

We adopted the Pre-[REDACTED] Share Option Scheme on December 18, 2025. For details, please refer to the paragraphs headed “Statutory and General Information — Employee Incentive Plans — Pre-[REDACTED] Share Option Scheme” set out in Appendix VI to this document. As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 6,095,000 Shares, representing approximately [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme). Assuming full exercise of all outstanding options granted under the Pre-[REDACTED] Share Option Scheme and the [REDACTED] is not exercised, the issued and outstanding shareholding of our Shareholders immediately following completion of the [REDACTED] will be diluted by approximately [REDACTED]%.

[REDACTED]

SUMMARY

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits refer to our after-tax profits, after making up for previous years’ losses (if any) and appropriating statutory reserves (we are required to set aside 10% of the after-tax profits as statutory reserves, and the appropriation may be suspended when the accumulated amount of statutory reserves reaches 50% of the registered capital) and other reserves as required. Pursuant to our Articles of Association, our Board may formulate profit distribution proposals in the future after taking into account our results of operations, financial condition, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders at the general meeting of shareholders. As advised by our PRC Legal Advisor, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive [REDACTED] of HK\$[REDACTED] after deducting [REDACTED] and [REDACTED] and estimated [REDACTED] paid and payable by us in the [REDACTED], assuming no [REDACTED] is exercised, no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme and an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this document). We intend to use the [REDACTED] from the [REDACTED] for these purposes: (1) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for the development and commercialization of memory products; (2) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for development and iteration of the controller chips; (3) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for enhancing our wafer and controller chip validation and testing capabilities; and (4) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be used for working capital and for general corporate purposes.

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED], such as [REDACTED] and [REDACTED], and (ii) [REDACTED] expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Pre-[REDACTED] Share Option Scheme) for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately of [REDACTED] of our gross [REDACTED]. Among such estimated total [REDACTED], we expect to pay [REDACTED] of HK\$[REDACTED], professional fees for our legal advisors and Reporting Accountants of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. An estimated amount of HK\$[REDACTED] for our [REDACTED], accounting for approximately [REDACTED] of our gross [REDACTED], was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] in 2023 and 2024. We recognized [REDACTED] of RMB[REDACTED] in 2025 and RMB[REDACTED] in the four months ended April 30, 2026 in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since April 30, 2026, being the end date of our latest consolidated financial statements, and there has been no event since April 30, 2026 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

In January 2024, we received a letter from a third party (“Enterprise X”), regarding a licensing portfolio of patents which Enterprise X claimed to be standard-essential patents (“SEPs”) in relation to certain storage-related standards. Enterprise X expressed its willingness to engage in discussions with us on fair, reasonable and non-discriminatory (“FRAND”) terms. We responded to Enterprise X and expressed our willingness to engage in such negotiations. As of the Latest Practicable Date, Enterprise X and we had remained in ongoing negotiations in good faith in accordance with FRAND principles. For details, see “Risk Factors — Risks Relating to Our Business and Industry — Potential intellectual property negotiations and disputes, including those involving standard-essential patents, may be prolonged and may adversely affect our business, results of operations and financial condition.”