
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

Founded in 2014, we are a major micro motor manufacturer in China and one of the early entrants in the imaging motor field. We have established deep expertise and proprietary technology across the entire chain, ranging from material performance enhancement and manufacturing processes to rigorous product quality control. We have built a strategic footprint with dual manufacturing bases in Jiaxing and Hefei and dual R&D centers in China and Japan, enabling us to continue expanding our business boundaries through advanced products to sustain a long-term competitive edge. According to Frost & Sullivan, based on revenue in 2025, we ranked No. 6 globally and No. 2 in China in the imaging motor market, with market shares of 3.3% and 9.8%, respectively. In the optical image stabilization (“OIS”) imaging motor segment, we ranked No. 4 globally and No. 1 in China, with market shares of 5.6% and 14.0%, respectively, in terms of revenue in 2025.

We focus on two major product categories: imaging products and non-imaging products. Our imaging products include voice-coil motors (“VCM”), piezoelectric motors and shape-memory-alloy (“SMA”) motors based on technical principles. These are primarily applied in camera modules for smartphones, handheld imaging devices, security monitoring, and machine vision systems to enable functions such as autofocus (“AF”), OIS, aperture adjustment, and zoom. Based on functionality, our imaging products primarily include OIS motors, which is a motor used to stabilize the lens or sensor, reducing image blurring caused by hand movement during shooting; periscope motors, which is a motor used in periscope camera modules to support folded optical paths and achieve long focal length in slim devices; open-loop motors, which is a motor that controls lens movement through electromagnetic force and spring balance, without position feedback; closed-loop motors, which is a motor equipped with position sensors, enabling faster and more accurate AF; variable aperture motors, which is a motor used to adjust aperture blades to control light intake and optimize imaging under different lighting conditions; and continuous optical zoom motors, which is a precision motor used to adjust the focal length smoothly, enabling continuous optical zoom without image interruption. During the Track Record Period, the vast majority of our revenue was generated from imaging products, particularly OIS motors and periscope motors, open-loop motors, and closed-loop motors.

Our non-imaging product offerings primarily include stepper motors, which is a motor that moves in fixed steps, allowing precision position control without external sensors; and brushless direct current (“BLDC”) motors, which is a motor that uses electronic control to provide stable rotary drive or power output, and can be applied in areas such as smart homes, unmanned aerial vehicles, automobile electronics and robotics. These have been deployed across application scenarios spanning robotic vacuum cleaners, security monitoring, and automotive electronics. We are also expanding into emerging fields such as embodied robotics and the low-altitude economy.

According to Frost & Sullivan, under the commonly adopted motor-size classification based on the outer diameter of the motor stator core, electric motors are generally categorized into large, medium, small and micro motors, and micro motors (with a stator core outer diameter of less than 100 mm) represent the smallest category in practical applications. Beyond micro motors, two additional categories of smaller and advanced motors exist at stages of technological development: ultra-miniature piezoelectric/hollow-cup motors, which are applied in medical endoscopes and precision optics; and nano-electrostatic and molecular motors, which remain largely confined to laboratory research. Neither category has achieved the commercial maturity or mass-production scale of micro motors, which serves a broad range of end-market applications.

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In particular, micro imaging motors are primarily used in consumer electronics such as smartphones and handheld imaging devices, while micro non-imaging motors are mainly used in security surveillance devices, smart home systems, automotive electronics. In the imaging motor industry, multiple technology routes coexist, including VCM, piezoelectric, SMA, and others. While VCM remains the dominant solution for imaging motors, alternative technologies are developing in parallel and may be adopted where they offer advantages in specific performance dimensions depending on application requirements.

In the micro motor industry, product performance is generally assessed based on a variety of technical parameters including miniaturization, power consumption, dynamic performance and reliability. These parameters include, among others, physical dimensions, weight, rated power, conversion efficiency, rated torque, positioning accuracy, response speed, noise level, vibration amplitude, IP rating, and reliability indicators such as life decay and temperature drift. According to Frost & Sullivan, high-performance micro motors generally refer to micro motors designed to deliver higher performance across critical parameters, including optimized miniaturization, high power conversion efficiency, precise torque and positioning accuracy, fast dynamic response, low noise and vibration, robust IP rating, and long-term reliability with stringent size and power constraints. According to Frost & Sullivan, from the perspectives of anti-shake capability, precision, response time, image sensor resolution compatibility, and rated stroke, the company has achieved industry-leading standards and falls into the category of high-performance products.

The level of sophistication of our motor products varies across application scenarios, and corresponds to the specific complexities and performance requirements of the end-use devices. For smartphones, handheld imaging, and sports cameras, our products exhibit a high degree of sophistication characterized by their compatibility with large or full-frame sensors, integration of complex multi-axis stabilization algorithms (such as optical image stabilization, three-axis mechanical image stabilization and five-axis electronic image stabilization), and the ability to deliver precise motion control under dynamic conditions. Conversely, in security surveillance and smart home scenarios, product sophistication is primarily demonstrated through the capability to support demanding operational environments, such as 24-hour continuous recording and infrared night vision, prioritizing long-term durability, stability, and system interconnectivity. Furthermore, for other applications such as barcode scanners and AR/VR devices, our motors demonstrate sophistication by achieving extreme miniaturization while maintaining reliable standard functionalities.

We operate an integrated, end customer-oriented business model covering early design, efficient product development process, reliability validation, precision manufacturing and lifecycle support, enabling us to deliver high-reliability micro motors at scale. For imaging products, we mainly supply our products to camera module manufacturers, while the selection of our motors and key technical specifications are substantially determined by leading smartphone and other handheld imaging device brands. For non-imaging products, we generally transact directly with end customers across sectors such as consumer-grade UAVs, robotics, smart home devices and automotive electronics.

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Key Operating Highlights

During the Track Record Period, OIS and periscope motors, open-loop motors and closed-loop motors, in aggregate, accounted for the vast majority of our revenue. The following table sets forth a breakdown of our revenue during the Track Record Period by product category based on functionality:

	For the Years Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>									
OIS motors	503,636	58.9	1,272,534	81.3	1,022,443	52.3	430,535	74.1	361,531	52.1
Periscope motors	113,138	13.2	2,813	0.2	223,111	11.4	12,173	2.1	57,934	8.3
Open-loop motors	170,556	19.9	176,354	11.3	247,904	12.7	71,887	12.4	55,645	8.0
Closed-loop motors	39,108	4.6	69,613	4.4	292,888	15.0	53,374	9.2	139,205	20.0
Other motors ⁽¹⁾	17,315	2.0	35,702	2.3	163,007	8.3	10,988	1.9	62,227	9.0
Others ⁽²⁾	11,577	1.4	7,518	0.5	7,471	0.3	1,978	0.3	17,918	2.6
Total	855,330	100.0	1,564,534	100.0	1,956,824	100.0	580,935	100.0	694,460	100.0

Notes:

- (1) Other motors primarily included stepper motors, BLDC motors and variable-aperture motors.
- (2) Others primarily included the provision of R&D related technical services and sales of raw materials.

The following table sets forth the sales volume of our products in terms of number of units during the Track Record Period:

	For the Years Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	<i>(Unit: 1,000 pieces)</i>				
OIS motors	38,675	65,643	65,165	26,542	14,728
Periscope motors	1,599	12	2,014	34	1,011
Open-loop motors	93,136	85,339	130,450	37,539	27,961
Closed-loop motors	3,292	2,557	16,219	2,353	8,311
Other motors	5,122	10,517	12,470	2,555	7,102

The sales volume of our OIS motors increased in 2024 as compared with 2023, which was primarily due to the further expansion of the range of OIS motor products supplied by us to the existing customers and our continued deepening of cooperation with a key customer. In 2025, the sales volume of our OIS motors slightly decreased, which was primarily driven by changes in the product mix delivered to our customers and delayed shipments resulting from the temporary deferral of certain demand from certain of our end customers, including Customer B, as a result of adjustments to its procurement and shipment schedules for certain OIS motor products. Such deferral was temporary in nature as part of the relevant demand was subsequently reflected in shipments of OIS motor products and revenue recognised by us in the first quarter of 2026. The sales volume of OIS motors decreased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, primarily due to the relevant end customer's reduced production and shipment of certain smartphone models as a result of temporary price fluctuation and supply tightness of memory chips, which resulted in a decrease in shipments of our relevant OIS motors.

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The sales volume of our periscope motors decreased in 2024, as compared with 2023, which was primarily attributable to our strategic adjustment to our overall product mix in 2024, as part of our business strategy to broaden the scope of our cooperation with a key customer and deepen our relationship, which in turn resulted in relatively lower shipments of periscope motors during the year. In 2025, the significant increase of periscope motors was primarily attributable to evolving customer demand and the successful mass production of our new periscope motor products, resulting in a significant increase in order intake and shipment volume to a key customer. The sales volume of periscope motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to the increased customer demand for our new periscope motors and the ramp-up in mass production and delivery of such products, which led to an increased customer order intake from, and shipments, to Customer B.

The sales volume of open-loop motors decreased in 2024 as compared with 2023, primarily because there was an increase in the proportion of higher-priced products in our product mix, and we selectively undertook higher-margin orders to maintain our focus on profitability. In 2025, the sales volume of open-loop motors increased primarily because we proactively secured and undertook certain new high-quality projects with relatively high profit margin. The sales volume of open-loop motors decreased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily because we adjusted the mix of project undertaken by placing greater focus on products with relatively higher gross profit margins. Sales volume of our closed-loop motors in 2025 increased as compared to 2024, primarily due to sustained downstream demand for high-reliability and compact imaging motors, supported by the ongoing global digital content creation trend and the continued growth of handheld imaging devices. Leveraging our entry into handheld imaging and the commencement of supply of closed-loop motors for End Customer B in 2024, we further increased shipments of such products in 2025. The sales volume of closed-loop motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to continued growth in shipments of closed-loop motors used in handheld imaging devices, which is aligned with the robust demand from End Customer B.

The increase in the sales volume of other motors from 2024 to 2025 was primarily attributable to our continued expansion of our application scenarios in non-smartphone application sectors, including action cameras, and strengthened our cooperation with customers in these sectors. The increase in the sales volume of other motors from 2023 to 2024 was primarily attributable to our expansion into non-smartphone application sectors and the increase in demand from customers in sectors such as security surveillance and smart home appliances, which led to higher shipment volumes of other motors during the period. The sales volume of other motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to the expansion and broader adoption of our motor products in various non-smartphone application scenarios, such as action cameras, UAVs, robotics and smart home devices.

The following table sets forth the average selling price of our products during the Track Record Period:

	For the Years Ended December 31,			For the Four Months Ended April 30,	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB	RMB	RMB
OIS motors	13.0	19.4	15.7	16.2	24.5
Periscope motors	70.7	243.8	110.8	356.2	57.3
Open-loop motors	1.8	2.1	1.9	1.9	2.0
Closed-loop motors	11.9	27.2	18.1	22.7	16.7
Other motors	3.4	3.4	13.1	4.3	8.8

The average selling price of our OIS motors increased in 2024 as compared with 2023, which was primarily because we commenced collaboration with and supply to certain new customers for OIS motors with more demanding technical specifications and performance requirements, such as higher AF rated stroke, larger stabilization angle, more accurate AF and OIS stroke control, and lower consumption, the supply of such OIS motors was continued in 2025. In 2025, the average selling price of our OIS motors decreased, which was primarily due to the change in product mix and a broader range of customers. Meanwhile, the delayed shipments which was led by temporary deferral demands of certain high-price products to our end customers also resulted in the decrease of average selling price. The average

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selling price of OIS motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to changes in product mix and customer shipment structure. Specifically, as temporary price fluctuations and tight supply in memory-chip, which affected certain end customers’ production and shipment of certain entry-level smartphone models and in turn, the shipments of certain OIS motors with relatively lower unit prices decreased. In addition, certain shipments of higher-value OIS motor products to Customer B were recognized during the period following the temporary deferral of customer demand in prior periods, resulting in a higher proportion of such products in our OIS motor sales and a higher average selling price.

The average selling price of our periscope motors increased in 2024, as compared with 2023, which was primarily due to the relevant products were mainly delivered in trial production and small batch quantities in 2024, resulting in relatively low shipment volumes and correspondingly higher unit prices. This trial production was initiated in response to a certain end customer’s request, Customer B, one of our major end customers during the Track Record Period, for details, please see “Business – Marketing, Sales, and Customers – Our End Customers.” The relevant periscope motors were designed with specific functions and technical specifications, including three-axis image stabilization, to enable high-precision multi-axis stabilization within a compact camera module, which are usually applied in smartphones. In 2025, the decrease of periscope motors was primarily attributable to the relevant projects progress into the mass production stage and shipment volumes increase. The average selling price of periscope motors decreased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to changes in product mix. The average selling price in the comparative period of 2025 was relatively high, mainly because one periscope motor model delivered during the period was at the trial production and small-batch delivery stage with a relatively high price. During the four months ended April 30, 2026, following the introduction of a new periscope motor model and the reduced contribution from such relatively high-priced model, the average selling price of periscope motors decreased accordingly.

The average selling price of our closed-loop motors increased from 2023 to 2024, primarily due to a shift in product mix. Driven by ongoing global digital content creation trend and the continued growth of handheld imaging devices, as well as higher requirements for highly reliable and compact image-stabilization motors, we expanded our presence in the handheld imaging segment and increased shipments of mid-to-high-end closed-loop motor products. Specifically, the proportion of closed-loop motors supplied for handheld imaging applications increased from 42.9% in 2023 to 98.1% of total closed-loop motor sales in 2024, while the proportion attributable to smartphone applications decreased from 57.1% in 2023 to 1.9% in 2024. Closed-loop motors designed for handheld imaging devices generally command a higher unit price due to their more demanding technical specifications as well as higher associated material costs, which lifted the overall average selling price of our closed-loop motors.

The average selling price of our closed-loop motors decreased in 2025 as compared with 2024, as we commenced shipments of a newly introduced closed-loop motor designed for a major end customer that carried a relatively lower unit selling price. Meanwhile, the proportion of closed-loop motors supplied for smartphone applications increased from 1.9% in 2024 to 16.5% of total closed-loop motor sales in 2025, while the proportion attributable to handheld imaging applications decreased from 98.1% in 2024 to 83.2% in 2025. The average selling price of closed-loop motors decreased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to our pricing adjustments for certain closed-loop motor models, taking into account the higher sales-volume, long-term stable cooperation with key customers and prevailing market conditions.

The average selling price of other motors remained relatively stable from 2023 to 2024, primarily because our sales of other motors during the period mainly consisted of stepper motors with relatively similar product specifications, resulting in a largely stable product mix and average selling price. The increase in the average selling price of other motors from 2024 to 2025 was primarily attributable to changes in product mix. In 2025, we commenced mass production and sales of variable-aperture motors applied to new application scenarios such as action cameras, which generally command higher selling prices due to their higher technical specifications and performance requirements. The average selling price of other motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, which was primarily due to the changes in product mix, particularly an increase in the proportion of higher-value motor products applied to non-smartphone application scenarios, including action cameras, UAVs, robotics and smart home devices.

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

	For the Years Ended December 31,						For the Four Months Ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit		Gross Profit		Gross Profit		Gross Profit		Gross Profit	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
	<i>(Unaudited)</i>									
OIS motors	53,599	10.6	210,171	16.5	119,538	11.7	56,118	13.0	52,470	14.5
Periscope motors	22,037	19.5	1,295	46.0	55,625	24.9	5,298	43.5	4,633	8.0
Open-loop motors	5,392	3.2	18,153	10.3	42,164	17.0	11,560	16.1	13,389	24.1
Closed-loop motors	4,941	12.6	29,253	42.0	101,951	34.8	22,986	43.1	38,994	28.0
Other motors ⁽¹⁾	(8,937)	(51.6)	(2,133)	(6.0)	13,195	8.1	(1,700)	(15.5)	6,064	9.7
Others ⁽²⁾	1,855	16.0	3,643	48.5	3,844	51.5	544	27.5	9,805	54.7
Less: Provision for inventory impairment	(7,391)		(11,030)		(10,018)		(9,738)		(14,077)	
Total	71,496	8.4	249,352	15.9	326,299	16.7	85,068	14.6	111,278	16.0

Notes:

- (1) Other motors primarily included stepper motors, BLDC motors and variable-aperture motors.
- (2) Others primarily included the provision of R&D related technical services and sales of raw materials.

The increase in gross profit and gross profit margin from sales of OIS motors from 2023 to 2024 was primarily due to an improved product mix, economies of scale and enhanced cost control as sales expanded. The gross profit and gross profit margin from sales of OIS motors experienced a decrease from 2024 to 2025, primarily due to the temporary deferral of certain demand from the end customer, resulting in delayed shipments and weaker absorption of production costs.

The fluctuations in gross profit from sales of periscope motors during the Track Record Period primarily reflected the changes in sales volume driven by the transition to mass production. Our gross profit margin from sales of periscope motors increased significantly from 2023 to 2024, and then decreased in 2025, primarily due to the limited shipments made in 2024 mainly consisted of sample sales with a relatively high average selling price, whereas in 2025, such products entered the mass production stage and the average selling price decreased. Our gross profit and gross profit margin from sales of periscope motors decreased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, primarily because the relevant sales in the four months ended April 30, 2025 mainly comprised limited-volume trial-production deliveries with relatively high unit prices, resulting in a relatively high gross profit margin during the period. During the four months ended April 30, 2026, the product mix included a newly launched model, whose ramp-up during the Chinese New Year period resulted in relatively high production costs and low initial production efficiency. See “Financial Information – Comparison of Results of Operations.”

The increase in gross profit and gross profit margin from sales of open-loop motors from 2023 to 2024 was primarily due to our selective acceptance of certain high-quality projects with relatively high gross profit margins. The increase in gross profit and gross profit margin from sales of open-loop motors from 2024 to 2025 was primarily attributable to higher sales volume, together with our continued focus on higher-quality projects with relatively higher gross profit margins.

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The increase in gross profit and gross profit margin from sales of closed-loop motors from 2023 to 2024 was primarily due to the launch of new products with relatively high gross profit margin for new application scenarios with higher average selling prices in 2024, together with our continued cost-control efforts and economies of scale as revenue expanded, which further improved our gross profit margin. Our gross profit from sales of closed-loop motors increased from 2024 to 2025, while the corresponding gross profit margin decreased slightly over the same period, primarily as we were at the early stage of ramping up production capacity for certain new products with relatively low gross profit margin. Our gross profit from sales of closed-loop motors increased in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, primarily due to the increase in revenue from closed-loop motors, while the corresponding gross profit margin decreased primarily due to more competitive pricing arrangements for certain closed-loop motor models.

We recorded gross loss from the sales of other motors in 2023 and 2024 primarily due to the product mix, as sales during these periods mainly consisted of stepper motors, which generated relatively low revenue and resulted in insufficient absorption of production costs. The sales of other motors turned profitable in 2025 primarily due to the mass production and sales of variable-aperture motors for new application scenarios, such as action cameras, which had relatively higher gross profit margins. We recorded gross loss from sales of other motors in the four months ended April 30, 2025 and gross profit in the four months ended April 30, 2026, primarily due to increased sales of other motors applied to non-smartphone application scenarios, including action cameras, UAVs and smart home appliances, which had relatively higher gross profit margins.

Our gross profit and gross profit margin from sales of others increased significantly in the four months ended April 30, 2026 as compared with the four months ended April 30, 2025, primarily due to (i) changes in the mix of R&D-related technical service projects, with projects carrying relatively higher gross profit margins making a greater contribution; and (ii) a higher proportion of revenue generated from sales of raw materials, which also carried relatively high gross profit margins.

OUR STRENGTHS

We believe that our business success and market position are underpinned by the following key strengths including our position as a major manufacturer and established participant in the imaging motor field; continuous R&D efforts to build core technological barriers; outstanding capabilities in miniaturization, low power consumption and high performance; customer-centric approach with deep engagement to top-tier resources; diversified product matrix and multi-scenario expansion driving synergistic growth; and mature production and supply chain system ensuring efficient delivery and consistent quality.

OUR STRATEGIES

We plan to implement the following strategies to consolidate and enhance our strong position in the smart sense interaction solution industry including expanding our product portfolio and strengthening our system integration capabilities, further penetrating the high-end market segment and consolidating key customer advantages, increasing our investment in research and development to support technological advancement and mass production capabilities, and upgrading our manufacturing processes and management systems towards greater automation and operational efficiency.

RESEARCH AND DEVELOPMENT

Our R&D Team

To keep pace with rapid developments in precision motor industry, we place strong emphasis on technological innovation. We have established R&D facilities in both China and Japan. Our R&D strategy is designed to align with the product roadmaps and application needs of our end customers, thereby facilitating the commercialization of our new products. Building on years of accumulated know-how in

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motor design and precision component manufacturing, we focus on researching and developing high-speed, high-precision and miniaturized drive solutions for both imaging and non-imaging applications. During the Track Record Period, we focused on the R&D of (i) imaging motors, including long-focus and variable-focus camera motors and piezoelectric actuators; and (ii) non-imaging motors, such as next-generation precision micro motors.

We actively track industry and market trends to improve production efficiency, enhance reliability and manage cost. We have made, and will continue to make, substantial investments in R&D activities. In 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, our R&D expenses amounted to RMB61.0 million, RMB76.9 million, RMB124.5 million, RMB40.3 million and RMB47.3 million respectively, accounting for 7.1%, 4.9%, 6.4%, 6.9% and 6.8% of our revenue for the respective periods. As of April 30, 2026, we employed approximately 352 R&D personnel. Our core R&D staff possess extensive expertise in motor design, electronic control systems, and related precision manufacturing technologies. We have instituted structured talent development combining onboarding programs and internal technical training. For details, please see “Business – Research and Development” in this document.

OUR PRODUCTION

In line with our development strategy, we have prioritized standardized, disciplined and efficiency-oriented manufacturing across our micro motor product lines. Our operating model integrates early-stage design, efficient product development process reliability validation, precision assembly and lifecycle support, enabling customized, high-reliability motion components at scale. As of April 30, 2026, we operated two manufacturing bases in Jiaxing and Hefei, China, strategically located to efficiently serve key customers and provide timely logistics and on-site support. To support future growth, we are expanding our production footprint. As of the Latest Practicable Date, we were developing the Nanchang Plant for periscope motors, and the Dongguan Plant for BLDC motors, and the Nanchang plant is expected to be completed in the third quarter of 2026, while the Dongguan plant is being constructed in phases and is expected to be fully completed in 2029. For details, please see “Business – Production” in this document.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

Our direct customers are mainly camera module manufacturers, which primarily supply smartphones and other consumer electronics brands. For most of our imaging projects, these manufacturers purchase our products based on the selection or designation made by end customers. Revenue generated from our largest customer for 2023, 2024 and 2025, and the four months ended April 30, 2026 accounted for 37.9%, 30.7%, 30.4% and 41.7% of our total revenue for the respective years/periods; and our sales to the five largest customers for the same years/periods accounted for 90.5%, 93.7%, 85.4% and 86.2% of our total revenue, respectively.

Among our top five customers during the Track Record Period, OFILM was the first largest customer in 2023 and 2025 and the second largest customer in 2024. Among our top five customers during the Track Record Period, only OFILM was a connected person. For details of our cooperation relationship with OFILM, please see “Relationship with Our Controlling Shareholders – Independence from Our Controlling Shareholders – Operational Independence – Transactions with OFILM”. As of the Latest Practicable Date, except OFILM, none of our Directors, their close associates or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period. During the Track Record Period, OFILM was also a supplier of ours. For further details, please see “Business – Marketing, Sales and Customers – Top Customers” and “Business – Overlapping Customers and Suppliers” in this document.

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Customer Concentration

As disclosed above, during the Track Record Period, we experienced a relatively high level of customer concentration. According to Frost & Sullivan, our customer concentration observed during the Track Record Period is generally consistent with industry practice and the structural characteristics of the downstream markets we serve, which are dominated by a limited number of leading end customers. Under prevailing industry practice, end customers typically designate both the camera module manufacturer and key component suppliers based on stringent technical and quality assessments, and therefore our customer concentration primarily reflects our success in serving and maintaining relationships with major end customers rather than reliance on the independent decision-making of any single camera module manufacturer. In addition, we believe the risk is mitigated by, among others, our early-stage technical engagement and product integration with customers, the stringent qualification processes and high entry barriers in the imaging motor supply chain, and our established long-term partnerships and track record in quality and delivery. For details, please see “Business – Marketing, Sales and Customers – Top Customers” in this document. Please also see “Risk Factors – Risks relevant to industry and our business – A relatively high proportion of our revenue was generated from our top five customers.”

Notwithstanding the foregoing, our Directors recognize that customer concentration may increase our exposure to changes in customer demands and procurement arrangements. To mitigate this risk, we have adopted the following measures: (i) strengthening long-term relationships with major customers through early-stage technical engagement and continuous quality assurance; (ii) proactively expanding and diversifying our customer base by exploring new downstream application fields and engaging potential customers in emerging sectors; and (iii) continuously optimizing our production capacity planning and supply chain management while maintaining ongoing investment in research and development to support product innovation and the expansion of application scenarios.

Major Suppliers

We maintain a stable and diversified supplier network to support the design, development and manufacture of our imaging and non-imaging motor products. We primarily procure raw materials, including precision injection-molded parts such as bases, brackets and carriers, magnets, housings, spring plates, and other auxiliary consumables as well as workforce services. Purchases from our largest supplier for the years ended December 31, 2023, 2024 and 2025, and the four months ended April 30, 2026, accounted for 16.9%, 14.0%, 12.6% and 11.2% of our total purchase amount for the respective years/periods. Purchases from our five largest suppliers for the same years/periods accounted for 49.9%, 47.2%, 36.5% and 36.0% of our total purchases, respectively. For details, please see “Business – Our Suppliers” in this document.

SALES AND MARKETING

During the Track Record Period, we generated revenue from direct sales. Our sales and marketing efforts primarily focus on technical communication and solution demonstrations to target customers. For imaging products, project initiation and motor selection are substantially determined by end customers, including smartphone and other handheld imaging device brands. Once designated, we enter into supply arrangements with camera module manufacturers as our direct customers. For non-imaging products, we usually transact directly with brand customers, who engage us with development needs, discuss motor specifications and intended use, and conduct technical and commercial evaluations. For details, please see “Business – Marketing, Sales and Customers – Sales and Marketing” in this document.

Pricing

In determining the pricing of our products, we consider a range of factors, including strategic importance of the project, our relationship with the customer, market competition for similar products, raw material and manufacturing costs, production complexity and our available capacity and order backlog. Final prices are often determined through tenders organized by end customers or negotiations with direct customers. In these cases, we submit competitive technical and price proposals for evaluation.

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OUR INDUSTRY AND COMPETITIVE LANDSCAPE

According to Frost & Sullivan, the imaging motor market exhibits a relatively concentrated competitive landscape, with the top ten manufacturers collectively holding a majority of the market share. In 2024, the top ten manufacturers collectively accounted for approximately 57.0% of the global market share and 75.0% of the market share in China. While Japanese and South Korean enterprises continue to be key players in the global market, the industry is witnessing an acceleration of domestic substitution. Leading domestic manufacturers, including our Group, have established strong competitive advantages through technological breakthroughs, gradually eroding the historical dominance of overseas brands.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information as of and for the three years ended December 31, 2025 and the four months ended April 30, 2026. We have derived this summary from our audited 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 statements and the related notes, as well as the section headed “Financial Information.”

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the years/periods indicated.

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
REVENUE	855,330	1,564,534	1,956,824	580,935	694,460
Cost of sales	(783,834)	(1,315,182)	(1,630,525)	(495,867)	(583,182)
Gross profit	71,496	249,352	326,299	85,068	111,278
Other income and gains	18,226	25,125	28,619	8,669	12,269
Selling and distribution expenses	(13,056)	(16,565)	(17,694)	(4,664)	(3,818)
Administrative expenses	(56,254)	(72,521)	(94,503)	(25,454)	(37,044)
Research and development expenses	(60,958)	(76,938)	(124,455)	(40,281)	(47,257)
(Impairment)/reversal of impairment of financial assets, net	(164)	(5,057)	2,785	1,429	(677)
Other expenses	(570)	(727)	(815)	(134)	(846)
Finance costs	(1,401)	(3,231)	(3,598)	(1,688)	(1,612)
(LOSS)/PROFIT BEFORE TAX	(42,681)	99,438	116,638	22,945	32,293
Income tax credit	12,579	5,317	3,760	2,197	4,155
(LOSS)/PROFIT FOR THE YEAR	(30,102)	104,755	120,398	25,142	36,448

For details on the accounting treatment of redemption rights of Pre-[REDACTED] investments, see “Financial Information – Discussion of Certain Key Items of Consolidated Statements of Financial Position – Paid-In Capital/Share Capital” and note 30 to the Accountants’ Report in Appendix I to this document.

SUMMARY

Our revenue increased significantly by 82.9% from RMB855.3 million in 2023 to RMB1,564.5 million in 2024 and further increased by 25.1% to RMB1,956.8 million in 2025, primarily due to the increased market demand, expanded product offering and strengthened relationships with our key customers. Our revenue increased by 19.5% from RMB580.9 million in the four months ended April 30, 2025 to RMB694.5 million in the four months ended April 30, 2026, primarily due to sustained demand across our key application scenarios, the continued expansion of our product offering and application coverage, and our ongoing product upgrades and mix optimisation.

Our gross profit increased from RMB71.5 million in 2023 to RMB249.4 million in 2024, and our gross profit margin increased from 8.4% in 2023 to 15.9% in 2024, primarily due to a significant increase in gross profit from the sales of OIS and periscope motors, attributable to (i) a significant increase in revenue, resulted from increased customer demand following the recovery of the smartphone market and our deepened cooperation with customers, and (ii) scaled-up sales and enhanced cost control, which optimized our cost efficiency and in turn elevated gross profit margin. Our gross profit increased from RMB249.4 million in 2024 to RMB326.3 million in 2025, primarily due to a significant increase in gross profit from the sales of closed-loop motors, attributable to increase in sales volume and revenue from new products applied to new application scenarios, and our gross profit margin remained stable at 15.9% and 16.7% in 2024 and 2025. Our gross profit increased from RMB85.1 million in the four months ended April 30, 2025 to RMB111.3 million in the four months ended April 30, 2026, primarily due to the increased revenue from the relevant products and services, and our gross profit margin increased from 14.6% in the four months ended April 30, 2025 to 16.0% in the four months ended April 30, 2026, primarily due to the higher contribution from closed-loop motors, changes in the mix of R&D-related technical service projects and revenue contribution from raw material sales with relatively high gross profit margins, together with improved profitability of open-loop and other motors following product and project mix optimisation.

Our R&D expenses increased by 61.8% from RMB76.9 million in 2024 to RMB124.5 million in 2025, primarily as we remained committed to in-house R&D and continued to scale up our R&D investment in line with market trends, resulting in (i) an increase in staff costs of RMB29.2 million following our expansion into new R&D areas for non-smartphone applications, the enlargement of our R&D team and an increase in average remuneration, and (ii) an increase in materials consumption of RMB14.5 million as our R&D projects advanced.

We recorded loss for the year of RMB30.1 million in 2023, amid the lingering downturn in the consumer electronics industry following the COVID-19 pandemic, our revenue and gross profit remained relatively limited and were insufficient to cover our operating expenses. In addition, we were still at an early stage of business transformation and expansion into new product lines, including OIS and periscope motors, and therefore incurred relatively high upfront investments and R&D expenses. As a result of the foregoing, we achieved turnaround starting from 2024. Our profit for the year amounted to RMB104.8 million in 2024 and RMB120.4 million in 2025. See “Financial Information – Comparison of results of operations.”

The table below sets forth a breakdown of our revenue from sales of our motors by downstream application for the years/periods indicated:

	For the Year Ended December 31,						For the four months ended April 30,			
	2023		2024		2025		2025		2026	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
	RMB'000		RMB'000		RMB'000		RMB'000		RMB'000	
							(Unaudited)			
Smartphones	785,599	93.1	1,429,910	91.8	1,540,932	79.0	511,471	88.4	511,307	75.6
Handheld imaging and action camera	16,793	2.0	68,337	4.4	337,199	17.3	49,944	8.6	129,020	19.1
Security and surveillance	37,038	4.4	46,119	3.0	45,040	2.3	11,034	1.9	11,780	1.7
Smart home	3,217	0.4	11,342	0.7	24,525	1.3	6,301	1.1	16,221	2.4
Others	1,106	0.1	1,308	0.1	1,657	0.1	207	–	8,214	1.2
Total revenue from sales of our motors	843,753	100.0	1,557,016	100.0	1,949,353	100.0	578,957	100.0	676,542	100.0

SUMMARY

Our revenue from the sales of motors applied to smartphones increased significantly by 82.0% from RMB785.6 million in 2023 to RMB1,429.9 million in 2024, and further increased by 7.8% to RMB1,540.9 million in 2025, primarily due to the recovery in demand in the smartphone market and our deepened cooperation with customers, which led to higher order volume. Our revenue from the sales of motors applied to smartphones remained relatively stable at RMB511.5 million in the four months ended April 30, 2025 and RMB511.3 million in the four months ended April 30, 2026.

Our revenue from the sales of motors applied to handheld imaging and action camera increased significantly by 306.9% from RMB16.8 million in 2023 to RMB68.3 million in 2024 and further increased significantly by 393.4% to RMB337.2 million in 2025, and increased by 158.3% from RMB49.9 million in the four months ended April 30, 2025 to RMB129.0 million in the four months ended April 30, 2026, primarily due to stronger downstream demand under the global digital content creation trend, which supported growth in handheld imaging and action camera.

Summary of Consolidated Statements of Financial Position

The following table 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
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	378,780	447,429	615,722	625,968
Total non-current liabilities	30,254	69,424	204,109	198,091
Total current assets	897,098	1,261,887	1,298,283	1,476,156
Total current liabilities	814,086	1,095,121	1,040,972	1,197,382
Net assets	431,538	544,771	668,924	706,651
Net current assets	83,012	166,766	257,311	278,774

For details on the accounting treatment of redemption rights of Pre-[REDACTED] investments, see “Financial Information – Discussion of Certain Key Items of Consolidated Statements of Financial Position – Paid-In Capital/Share Capital” and note 30 to the Accountants’ Report in Appendix I to this document.

Our net current assets increased from RMB83.0 million as of December 31, 2023 to RMB166.8 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB306.4 million, (ii) an increase in cash and cash equivalents of RMB143.9 million, and (iii) an increase in inventories of RMB82.8 million, partially offset by (i) an increase in trade and bills payables of RMB188.1 million, and (ii) a decrease in debt investments at fair value through other comprehensive income of RMB120.8 million.

Our net current assets increased from RMB166.8 million as of December 31, 2024 to RMB257.3 million as of December 31, 2025, primarily due to (i) a decrease in trade and bills payables of RMB67.6 million, (ii) an increase in inventories of RMB51.2 million, and (iii) a decrease in current portion of interest-bearing loans of RMB40.9 million, partially offset by (i) a decrease in restricted cash of RMB79.7 million, and (ii) an increase in other payables and accruals of RMB46.3 million.

Our net current assets increased from RMB257.3 million as of December 31, 2025 to RMB278.8 million as of April 30, 2026, primarily due to (i) an increase in trade and bills receivables of RMB156.1 million, (ii) an increase in inventories of RMB83.2 million, (iii) an increase in financial assets at fair value through profit or loss of RMB50.0 million, (iv) an increase in debt investments at fair value through other comprehensive income of RMB21.8 million, and (v) an increase in prepayments, other receivables and other assets of RMB33.4 million, partially offset by (i) a decrease in cash and cash equivalents of RMB177.2 million, (ii) an increase in trade and bills payables of RMB106.3 million, and (iii) an increase in other payables and accruals of RMB35.1 million.

Our net assets increased from RMB431.5 million as of December 31, 2023 to RMB544.8 million as of December 31, 2024, primarily due to (i) our profit for the year of RMB104.8 million, and (ii) the cost of share-based payments of RMB9.1 million, partially offset by a decrease in exchange differences on translation of foreign operations of RMB0.6 million.

SUMMARY

Our net assets further increased to RMB668.9 million as of December 31, 2025, primarily due to (i) our profit for the year of RMB120.4 million, and (ii) the cost of share-based payments of RMB4.0 million, partially offset by a decrease in exchange differences on translation of foreign operations of RMB0.2 million.

Our net assets further increased from RMB668.9 million as of December 31, 2025 to RMB706.7 million as of April 30, 2026, primarily due to (i) our profit for the period of RMB36.4 million, and (ii) the cost of share-based payments of RMB1.6 million, partially offset by a decrease in exchange differences on translation of foreign operations of RMB0.3 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/periods indicated:

	For the Years Ended December 31,			For the four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net cash (used in)/generated from operating activities	(118,017)	113,060	171,140	(44,028)	(92,811)
Net cash used in investing activities	(24,655)	(89,748)	(207,848)	(69,719)	(88,769)
Net cash generated from financing activities	185,300	120,116	66,679	6,640	4,639
Net increase/(decrease) in cash and cash equivalents	42,628	143,428	29,971	(107,107)	(176,941)
Cash and cash equivalents at the beginning of the year	18,233	60,685	204,604	204,604	234,255
Effect of foreign exchange rate changes, net	(176)	491	(320)	986	(246)
Cash and cash equivalents at the end of the year	60,685	204,604	234,255	98,483	57,068

Our net operating cash outflows in 2023 were primarily attributable to (i) our net loss for the year, and (ii) an increase in restricted cash placed as security for bank acceptance bills.

Key Financial Ratios

The following table sets forth our key financial ratios as of/for the years/periods indicated.

	As of /For the Years Ended December 31,			As of/For the Four Months Ended April 30,
	2023	2024	2025	2026
Revenue growth rate ⁽¹⁾ (%)	N/A	82.9	25.1	19.5
Return on equity ⁽²⁾ (%)	(7.6)	21.5	19.8	5.7
Return on assets ⁽³⁾ (%)	(2.7)	7.0	6.6	2.0

Notes:

- (1) Revenue growth rate is calculated based on revenue growth for the relevant year/period divided by revenue for the previous year/corresponding period of the previous year and multiplied by 100%.
- (2) Return on equity is calculated by the profit for the period attributable to owners of our Company divided by the average of opening and closing balances of the total equity and multiplied by 100%.
- (3) Return on assets is calculated based on profit for the period attributable to owners of our Company divided by the average of opening and closing balances of the total assets and multiplied by 100%.

SUMMARY

PRE-[REDACTED] INVESTMENTS

We have engaged in Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure – Details of the Pre-[REDACTED] Investments.”

Pursuant to the shareholders subscription agreements entered into prior to the Track Record Period and on January 20, 2023, our Company issued an aggregate of 38,226,031 ordinary Shares to the Pre-[REDACTED] investors at a total net cash proceeds of approximately RMB655 million (collectively the “Pre-[REDACTED] Investments”). Additionally, pursuant to the share transfer agreements entered in December 2021 and January 2022, Shenzhen Hezheng transferred a total of 7,744,888 ordinary Shares to certain Pre-[REDACTED] investors for a total consideration of RMB174 million. Pursuant to the above agreements, the Pre-[REDACTED] Investors were granted by our Company with special rights (“Special Rights”) which included redemption rights and liquidation preferences rights. There was no exercise of redemption rights and liquidation preferences rights granted by our Company throughout the Track Record Period.

On August 19, 2025 and December 23, 2025, our Company and the Pre-[REDACTED] investors subsequently entered into supplemental agreements, agreeing that the redemption rights and liquidation preference rights granted by our Company to Pre-[REDACTED] investors have been irrecoverably terminated and shall be *void ab initio*, respectively. Taking into account the legal and regulatory framework of our Company’s jurisdiction and the governing law of the supplemental agreements, the Directors considered that it is appropriate to present the Pre-[REDACTED] Investments as equity throughout the Track Record Period.

Had the Special Rights granted by our Company to the Pre-[REDACTED] investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in December 2025.

- (i) the redemption financial liabilities, total current liabilities, net current liabilities and net deficits would have been:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Redemption financial liabilities	994,205	1,059,717	1,126,037
Total current liabilities	1,808,291	2,154,838	2,167,009
Net current liabilities	(911,193)	(892,951)	(868,726)
Net deficits	(562,667)	(514,946)	(457,113)

- (ii) the finance costs associated with the redemption financial liabilities, the net losses/profits for the year/period, basic and dilutive loss/earnings per share would have been:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2025
	RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)
Financial costs associated with the redemption financial liabilities	66,894	65,512	66,320	21,804
Total net (losses)/profits	(96,996)	39,243	54,078	3,338
Basic and dilutive (loss)/earnings per share (<i>expressed in RMB</i>)	(0.91)	0.37	0.51	0.03

SUMMARY

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Cai, Shenzhen Hezheng, Mr. Cai, Shenzhen Changxin, Jiashan Changxin, Hefei Jiatou held approximately 7.50%, 27.04%, 9.88%, 8.33%, 3.38% and 0.83% of the total issued share capital of the Company, respectively. Shenzhen Hezheng is wholly owned by Dr. Cai. Mr. Cai is the general partner of Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou, and held approximately 97.31%, 15.08% and 1.13% of the equity interests in Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou, respectively.

Pursuant to an acting-in-concert agreement entered into among Dr. Cai, Shenzhen Hezheng, Mr. Cai and Shenzhen Changxin (together, the “**Concert Parties**”) dated November 5, 2024, all the Concert Parties confirmed and agreed to act in concert by aligning their votes at the Board and/or the shareholders’ meetings of our Company by following the decisions of Dr. Cai. Therefore, Dr. Cai, Shenzhen Hezheng, Mr. Cai, Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou are our group of Controlling Shareholders, and in aggregate held approximately 56.97% of the total issued share capital of our Company as of the Latest Practicable Date. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will control approximately [REDACTED]% of the total issued share capital of our Company and will remain as our Controlling Shareholders upon [REDACTED]. Please refer to the section headed “Relationship with our Controlling Shareholders” for further details.

DIVIDENDS

During the Track Record Period, no dividend was declared or paid by us. As of the Latest Practicable Date, we had not established a formal dividend policy or a specified dividend pay-out ratio. After completion of the [REDACTED], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may declare dividends 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 Law and approval by our Shareholders.

SUMMARY

We intend to distribute cash dividends to our Shareholders subject to the discretion of our Directors, taking into account the operating results, in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, during 2023, 2024 and 2025, we had accumulated losses and therefore did not have distributable profits available for dividend distribution. As of April 30, 2026, such accumulated losses had been fully offset and we recorded retained earnings. Nevertheless, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders.

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) the demand in the end markets of our industry is constantly changing, and if we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected; (ii) a relatively high proportion of our revenue was generated from our top five customers and loss of any one or more of these customers may materially and adversely affect our business, financial condition and results of operations; (iii) we have significant sales to a connected person, i.e. OFILM, and are subject to risks relating to connected transactions and potential conflicts of interest; (iv) if we fail to research and develop new products or innovate our current product offerings, our business, financial condition and results of operations would be materially and adversely affected; (v) we operate in a highly competitive market, and any failure to compete effectively, maintain our market position, or respond successfully to changes in the competitive landscape could result in a decline in our market share; and (vi) we may not be able to successfully expand into new application scenarios such as low-altitude economy and embodied robotics, and these markets may not grow as fast as expected.

IMPACT OF COVID-19

The COVID-19 pandemic has affected the Chinese and global economy. During the Track Record Period, we had not experienced material disruptions in our production. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the COVID-19 outbreak did not materially and adversely impact on our business, results of operations and financial condition nor caused material disruption to our supply chain. Our revenue increased from RMB855.3 million in 2023 to RMB1,564.5 million in 2024 and further to RMB1,956.8 million in 2025, representing a CAGR of 51.3%.

[REDACTED] EXPENSE

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), [REDACTED] expenses to be borne by us are estimated to be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] fees of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED]-related expenses of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisers and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]), approximately RMB[REDACTED] (HK\$[REDACTED]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. Amongst which, during the Track Record Period, we incurred [REDACTED] expenses of RMB[REDACTED] (HK\$[REDACTED]), of which RMB[REDACTED]

SUMMARY

(HK\$[REDACTED]) was recognized as administrative expenses in the consolidated statements of profit or loss and RMB[REDACTED] (HK\$[REDACTED]) was directly attributable to the issuance of [REDACTED] which is expected to be charged against equity upon [REDACTED]. The [REDACTED] expenses are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] Range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share) and the [REDACTED] is not exercised, we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED]. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts as follows: approximately [REDACTED]%, or approximately HK\$[REDACTED], for the research and development of new products, the upgrade and optimization of technologies, and the establishment of laboratories and technical platforms; approximately [REDACTED]%, or approximately HK\$[REDACTED], for the development of new production base and lines; approximately [REDACTED]%, or approximately HK\$[REDACTED], for advancing the automation and digitalisation of our production lines; and approximately [REDACTED]%, or approximately HK\$[REDACTED], for working capital and general corporate purposes. For details, please see “Future Plans and Use of [REDACTED]” in this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, our business has maintained stable operations and steady growth. We have expanded our customer portfolio by developing business relationship with companies engaged in robotics, intelligent hardware, consumer electronics and retail digitalization solutions. Both production plants are under construction. The Nanchang plant is currently undergoing equipment commissioning and is expected to be completed in the third quarter of 2026, while certain production lines at the Dongguan plant have already commenced operation, certain other production lines are currently undergoing equipment commissioning, and the plant, which is being constructed in phases, is expected to be fully completed in 2029.

In November 2025, we entered into a strategic cooperation agreement with a leading robotics company, pursuant to which we delivered sample motors for use in robotic dexterous hand joints to the customer for testing and evaluation. Under the agreement, we are primarily responsible for the design and manufacturing of motor modules for robotic dexterous hand joints, while the robotics company is responsible for supplying us dexterous dual-arm robotic equipment to upgrade our own production lines and enhance our automation capabilities. The term of the agreement is two years, and it will be renewed automatically for an additional one year unless either party gives written notice of non-renewal at least three months prior to expiry. Following sample testing and evaluation, we commenced commercial sales to this customer in 2026. Specifically, we generated modest revenue from relevant motor development services in the first four months of 2026, and began delivering and recognizing revenue from the sale of these motor modules in May 2026.

We have commenced mass production and shipment of motor products for consumer-grade UAV applications in 2026.

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